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ABSTRACT

One of twelve instructional units in the Native American Career Education (NACE) program, this unit is intended to help Indian junior high school students understand how to manage money resources, both on a personal level and in the world of work. In five activities, students do exercises and small group activities in which they consider how money is used, practice check-writing and balancing a family budget, learn about the use and movement of cash, stock and other assets in a small business, learn about the process of applying for a loan, and learn about some careers which involve managing money. Related subject areas are mathematics, business, and banking. Each activity includes objectives, student materials, and suggestions to the teacher on how to use them. Student exercises consist of readings, questions to answer, games, simulations, project instructions, and other learning activities. Each activity is followed by suggestions for ways of extending learning and where appropriate, additional resources are described. Student materials may be used as master copies for reproduction or as models for material development. A test designed to measure student mastery of the main objectives is included with each unit, along with an answer key. (A guide to the whole twelve-unit program is available separately--CE 014 035.)

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ED147601

Putting Your Money To Work

Native American Career Education
Unit

We would like to thank the R-3 Project of the San Jose Unified School District for granting us permission to adapt games and exercises for this unit.

Far West Laboratory for Educational Research and Development
1855 Folsom Street, San Francisco, California 94103

U.S. DEPARTMENT OF HEALTH,
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by

Far West Laboratory for Educational Research and Development
1855 Folsom St., San Francisco, California 94103

This document is one of a series of teaching/learning units dealing with Native American Career Education. The titles of all individually available documents in this series appear below:

Career Awareness units
Part of the Whole World
Cooperation
From Idea to Product
The Community
The Community in Transition

Career Orientation units
Putting Your Money to Work
Living with the Land
Working for the People

Career Exploration units
Planning
Putting It All Together
Getting Ready for Jobs
The Career Fair

and

Native American Career Education,
A Curriculum Guide

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Foreword

The Native American Career Education Program consists of twelve units designed to address the specific needs and aspirations of Native American students. It includes teacher and student materials, evaluation materials, and a Curriculum Guide.

These units employ a variety of learning activities. They are designed to: 1)bridge the gap between traditional and technological societies by identifying the parallels between them and exploring the values they represent; 2) create an understanding of the economic context within which career choice takes place; 3) foster personal and interpersonal skills necessary to function in the world of work; and, 4) develop career exploration skills.

Development has been based on the recognition that the needs of Native American communitites differ greatly from those of the larger American society. In these communities, as in third world countries, problems are not due to a lack of natural resources, but rather to a lack of meaningful development of human resources which would allow for additional economic development and self-determination of Native American communities.

In order to identify and meet these needs, information has been gathered from Native American communities, students, teachers, and tribal groups, and the materials have been developed with the guidance of an advisory committee of Native Americans.

This project was supported by the Curriculum Development Branch of the U.S. Office of Education.

The Indian Education Advisory Committee:

George Effman
Betty Gress
Joy Hanley
Terrance Leonard
Lawrence Snake
Peter Soto (Chairman)
Bill Thacker
Webster Two Hawk
Lucille J. Watahomigie
George Woodard

NATIVE AMERICAN CAREER EDUCATION PROGRAM STAFF

Project Management

Bela Banathy
Donald McCabe
Jeri Williams

Curriculum Development

Cathy Coe
Lisa Hamilton
Sharon Quickbear
Diana Studebaker
Jeri Williams

Editing

Will Dunne
Lisa Hamilton

Graphics

Dan Chrynko
Diana Studebaker

Project Secretaries

Vicki Arzadon
Linda Silver

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Preface

Career Education is an area that has never been truly emphasized in schools with a predominantly Indian student enrollment. As a result, Indian students come out of school unequipped to choose a career that would be rewarding or satisfying to them individually throughout their working lives. Many times students enter college or a vocation and find that the profession they chose was not what they envisioned it to be; dismayed or frustrated, they drop out of school and we lose another valuable resource so badly needed in the Indian community. I feel that these Career Education curriculum units especially prepared for grades seven through nine, if implemented in our predominantly Indian schools, will be at least a beginning in helping Indian students obtain an awareness of careers for which they would be most suited.

This unit, entitled "Putting Your Money to Work," covers topics that are of extreme interest and usefulness to Indian students, especially at the Junior High level in school. In this unit students will be looking at various ways to use money, both good and bad, how to keep track of money, and ways to make and use money wisely.

The approach used, in which students actually do the "fun" exercises, will not only be fun for the students but will have more of an impact on the learning that takes place while students are completing the exercises as well as their retention of what they have learned once the unit is completed.

Betty L. Gress,
Mandan-Hidatsa
Associate Director,
Coalition of Indian-Controlled
School Boards

Contents

This book includes all information and student materials needed for the unit, "Putting Your Money To Work." In some activities, students will be asked questions which they must answer in writing. Many of these questions have no single "right" answer. For your convenience, some sample answers have been printed after each set of reproduced questions.

At the end of this guide, you will find an annotated resource list. This has been included to help you locate good, appropriate audio-visual materials in order to stimulate student interest in the unit and to enrich their individual learning experiences.

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An Overview Of The Unit

General Purpose

Putting Your Money To Work is one of twelve units in the Native American Career Education program. The general purpose of this unit is to help Native American students better understand how to manage resources, particularly the resource of money. This understanding should aid them both in their personal lives and in their choice of a career.

Goals and Objectives

In this unit, there are six activities. Each activity has a specific goal and a specific objective. These are as follows:

Activity 1. *What is Money?*

GOAL: To give students an understanding of the nature and purpose of money by introducing the concepts of resources, resource management, and the use of symbols to represent resources.

OBJECTIVE: Students will define resources, explain the three purposes of resource management, and describe different ways of representing resources.

Activity 2. *Ways to Make Money Work*

GOAL: To introduce students to some ways of using and managing the resource of money.

OBJECTIVE: Students will consider advantages and disadvantages of twelve ways of using money.

Activity 3. *Writing Checks*

GOAL: To introduce the procedures and purposes of check writing, and some careers in banking.

OBJECTIVE: Students will write simulated checks, balance a checking account, and learn about banking careers.

Activity 4. *Balancing a Budget*

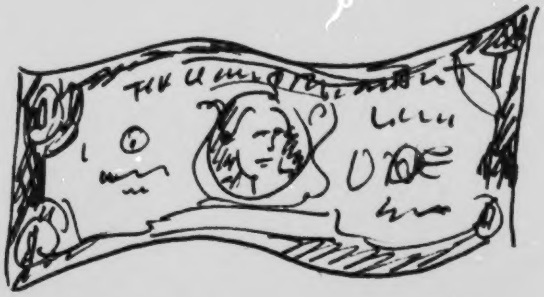
GOAL: To help students understand the importance and the process of using a budget to keep track of and plan wise use of money.

OBJECTIVE: Students will balance a simulated budget.

Activity 5. *The Small Business*

GOAL: To help students understand how money is used in business.

OBJECTIVE: Students will learn about shares and stock, how a loan company operates, and some careers which involve handling money.



Summary

In this unit, students will be asked to work individually or together in small groups to practice several processes connected with managing the resource of money and related resources such as stocks, bonds, checks, etc. They will study money management and finance as they relate to family, personal life and careers. The emphasis is on teaching students to manage these resources in the best interest of self, family and community. Self-determination and the ability to control one's own destiny are dependent upon managing money and other available resources wisely.

Because of the extensive use of simple mathematics in this unit, it would be particularly appropriate for use in connection with a class in mathematics or economics.

In Activity 1, students consider the relationship between needs and resources, explore the reasons for managing resources, and learn about ways in which different cultures have facilitated exchange of resources. Particular attention is given to Native American attitudes towards resources. Students are led to a realization that money is valuable because it represents the resources with which we meet our needs, and so, like them, it must be managed wisely.

In Activity 2, students consider twelve ways of using money and read a long passage which describes these activities in detail. They have a chance to evaluate the twelve ways and choose one which they feel is best for them.

In Activity 3, students have a chance to write simulated checks to one another and to balance simulated checking accounts. By doing this they learn the forms of check-writing and check-balancing and how to manage a checking account. They read about the jobs of people who works in banks.

In Activity 4, students consider several aspects of a family budget and have a chance to balance a simulated budget. By doing this they learn the usefulness of a budget and the wisdom of planning for expenditures.

In Activity 5, students play a puzzle-game in which they manipulate cash, shares and other assets of a small business, thus learning something of how a business operates and how stock changes value. They also play the role of a Loan Officer evaluating fictional applicants, to learn the procedures, and considerations involved. This is followed by a reading on careers in the business world which involve handling money.

All units in the Native American Career Education program should be tailored to meet the interests and need of the individual students in your class. There are many questions, therefore, that you will have to answer yourself. When should students work in small groups? When would they benefit more from an activity by working alone? Should worksheet exercises be given to the class as homework assignments or as activities in the classroom? How much supervision do the students require? In trying to answer these questions, be flexible. Shape the unit so that it best suits you, your students, and the amount of time which is available.

Teacher's Note: Discussion

At various points in the instructions you will find recommended questions for discussion. It is not essential that responses to these questions be elicited from the class. With students who are not used to responding verbally, trying to get a general class discussion going may be more frustrating than useful. There are, however, a number of alternative approaches.

The simplest of these is just to talk about the questions, their implications, and some possible answers, in a general way--an informal lecture, in fact. Where time allows, you may ask students to discuss questions with their work-groups, or even put them on the board and have students respond in writing.

Scheduling

Introductory Discussion: One to two class periods

Activity 1 - One class period

Activity 2 - Two class periods or homework plus discussion

Activity 3 - Two class periods plus discussion

Activity 4 - One class period plus discussion

Activity 5 - Three class periods plus discussion

Materials

For this unit, you will need:

- scissors
- staple machine and staples
- paste (optional)
- 1 sheet cardboard or heavy construction paper per student (optional)
- duplicated pages as indicated in instructions to exercises

Introducing the Unit in Class

To begin, write on the board the words "Putting Money to Work." Ask students what they think this phrase might mean. Can they think of any ways in which money works? Do they think instead that work is something you do so that you will have money to spend? Write any ideas they may volunteer on the board below the title, then go on to the next activity.

Reading the Poem

If students have not had earlier units in the Native American Career Education program, read, or pass out copies of,the passage from "Old Way, New Way," by David Martin Nez, which appears on p. 7 of this Guide.

After the poem has been read, encourage students to discuss what they think the poem is saying. Possible interpretations are: 1) that it is important to learn what other cultures have to offer; and, 2) that it is important to understand and preserve the beauty of one's own culture.

Introducing the Program

If students have not had earlier units of the Native American Career Education program, when the class has finished discussing the Nez poem, write the words *Native American Career Education* on the blackboard. Ask the students to discuss what they think this phrase means. If they have trouble getting started, help them by breaking the concept into parts. Ask questions that will lead the class step by step to a general understanding of the ideas involved. Students should be encouraged to work together in small groups to answer questions like these:

1. What is an American?
2. What is a Native American?
3. What is a career? Can you name some examples of different types of careers? Are there any careers which interest you right now? How do people get started in careers?
4. What do you think that career education is?
5. What do you think that career education for Native Americans is? How might this be the same as career education for other kinds of Americans? How might it be different?
6. Why do you think we are going to study Native American Career Education now? How can this type of education play an important part in your life? What kinds of things do you think you need to learn about careers?

Read, or reproduce and give to students, the section "What Native American Career Education is all About?" on p. 8 . Afterwards, ask "How can Native American Career Education play an important part in your life? What kinds of things do you need to learn about careers?"

Introducing the Book

Divide the class into groups and ask them to discuss now what they think this book is about. During the discussion, ask the students to review the suggestions which you wrote earlier on the blackboard. Encourage them to add to this list any new ideas that they have to offer.

Explain that *Putting Money to Work* is about using and managing money and things related to money. As they read this book and do the worksheet activities, students will be asked to think about how they and their families manage money and how money can be managed wisely. They will also learn a little about careers connected with managing money.

On p. 5 of this book there is a section titled "What This Book is All About." Read it aloud to students, or make copies of it and give it to them to read. As you review its content afterwards, concentrate on the fact that the main activity in this unit will be learning ways in which individuals and businesses use money, keep track of money, and make money increase or grow. Therefore, not only do people work for their money, but sometimes money can work for them too!

As you review the content of "What This Book Is All About," you should also include the following three ideas:

1. In the student book, there are a series of exercises which contain questions. By finding the answers to these questions, students will learn more about using and managing money wisely.

2. The students will be asked to work together in small groups for some of the activities in this unit. There are two reasons for this. First, small group work has been found to be a good way of doing the types of activities which this unit involves, and, second, small group work will expose the students to the kinds of group situations which they will experience on most jobs.

Review

Before beginning Activity 1, review what you have done so far in class. If you have introduced the unit successfully, students should be able to supply a general answer for each of the following questions:

1. What does Native American Career Education mean?
2. What is the book *Putting Money to Work* going to be about?

These lines are taken from the poem "New Way, Old Way," published by The Writers' Reader, 1964, copyright 1969. Used by permission of the author, a former student at the Institute of American Indian Arts, Santa Fe, New Mexico, a Bureau of Indian Affairs school.

We shall learn all these devices

The white man has.

We shall handle his tools

For ourselves.

We shall master his machinery,

his inventions,

his skills,

his medicine,

his planning;

But we'll retain our beauty

And still be Indian.

David Martin Nez

What Native American Career Education Is All About

All over the country, Indian students, parents, and communities are asking, "Where can we find good jobs?" For too long, too many Indians have ended up with poor jobs or no jobs at all. Career education is one way to change this.

Planning for a career should begin long before you actually start working. But what kinds of jobs are there? What are different jobs like? How do different jobs fit together? How do you find out which job would be best for you? Career education is one way to find the answers to questions like these.

Native American Career Education is a program that has been written especially for Indian students. Indians from many tribes have helped plan, write, and test this program to make it as useful as possible to you. Some of the activities may seem like games. That's because we think learning can be fun. Sometimes even work is fun!

Good luck!

What This Book Is All About

What is the best thing to do with money?

How can you keep track of your money?

How can you make money work and grow?

Most of the time, you and your family probably don't wonder what to do with money. You have to buy food with it. You have to buy clothes with it. You have to pay the rent with it. By the time you do those things, and pay some bills, and maybe go to a movie or two, there probably isn't any money left to worry about.

But sometimes, you may earn more money than you need "just to get by." Then you can decide what to do with the extra. That kind of decision is fun, but it's serious too. You should think about it carefully.

In this unit, you'll look at a number of ways to use money. You'll look at ways to keep track of money too. Finally, this unit will show you some ways to make money. You'll learn how to save or do things with your money so you end up with more than you started. You'll learn how to start a small business. And you'll learn how people borrow money.

When you have finished this book, you should know:

1. some good and some bad ways to use money;
2. some ways to keep track of money; and
3. some ways to make your money grow.

Activity 1. What is Money ?

GOAL: To give students an understanding of the nature and purpose of money by introducing the concepts of resources, resource management and the use of symbols to represent resources.

OBJECTIVE: Students will define resources, explain the three purposes of resource management, and describe different ways of representing resources.

WHAT STUDENTS WILL DO

- look at pictures of resources and identify the needs they meet
- discuss resource management and learn about its three purposes
- read about different ways of representing resources
- answer review questions

MATERIALS NEEDED

- old magazines from which pictures of different kinds of resources can be cut
- poster paper to mount them on
- reproduced pages from this book as indicated in the instructions to the exercises.

PROCEDURE

If students have had other units in this series they will probably be familiar with the idea of Basic Needs. If so, you may simply remind them of what they have learned before going on.

If not, ask them to name some things that all people need to live. They will probably suggest items such as food, houses, etc. Write their suggestions on the board, and when students have run out of ideas, add any of the following they have not already covered: food (meat, vegetables, liquid), shelter (houses, clothing, fuel), security (government, protection, health care, religion, entertainment, arts), aids (education, communication, transportation, tools). Leave this list on the board.

Explain that in this Activity they will begin learning about the relationship between money, and needs.

Exercise 1. Resources

Preparation

Get three pieces of poster board and a number of old magazines. For the first poster, cut out pictures showing natural resources, such as forests, the ocean, mines, rivers, farmland, etc., and paste them on the board.

For the second poster, cut out pictures of manufactured resources, such as grocery stores with food, other stores, advertisements, etc., and paste them on the board.

For the third poster, cut out pictures illustrating non-material resources--a clock, (time), someone lifting something heavy (strength), someone reading (knowledge), someone playing (happiness), etc.

Classwork

Hold up the first poster, and ask students what all the pictures have in common. They will probably answer that all these things are part of nature. Explain that that is true, but they have something else in common--what is their relationship to man? Build on student comments until you can summarize with the statement that these areas all provide materials which people can use to make things to meet their needs.

Now show students the second poster, and ask them what these pictures have in common and how they are different from the first set. Discuss them until you and the class can come to the conclusion that they are man-made, but also provide ways for people to meet needs.

Finally, hold up the third poster. Ask students if there are some things which can't be seen or touched, but which also are used to help people get the things they need. If you have a picture of someone reading, ask students what he or she is getting from the book (knowledge), and what it can be used for (how to build a house, cook a meal, make someone happy, or whatever). Do the same with the other pictures.

Now explain that there is a word which can be used to describe all three of these posters--they are all pictures of RESOURCES. Ask students if they can come up with a definition of the word. Guide them until they agree on a definition something like this--"Resources are things which people can use to meet their needs." Have students copy this definition from the board.

(You can vary this part of the exercise by explaining the three kinds of resources and having students locate and cut out pictures to make up the posters.)

Now, write on the board (or return to) the list of basic needs on p. 10 and ask students to suggest one resource which could be used to meet each. Write their suggestions next to the needs on the board.

Exercise 2. Managing Resources

Pick one resource with which students will be familiar, such as a herd of sheep or cattle, a forest, a car, etc. Ask students, "What need does this resource meet? Does it do so all by itself? What has to happen for it to do so?"

Explain that the things which people do so that the resource will be useful can be described under the term "resource management."

Go back to the resource you mentioned at the beginning of the exercise, and ask students what is done with it. For instance, if people keep herds of sheep in your area, ask one or more students to explain what a sheep herder does. Keep asking questions, until the students have described how the shepherd keeps track of the sheep, how he or she keeps them healthy and in good condition, and how he or she uses the wool and meat they produce.

When the description is finished, tell students that if you analyze it, you can find three main purposes in resource management, which are true for any resource. They are:

1. keep track of the resource
2. take care of the resource
3. use the resource to meet a need

Students should write these three purposes down.

If you have time to discuss these ideas at greater length, ask, "Why is it important to keep track of a resource?" Some good answers might be, "So you'll know where it is when you want it;" "So you know how much you've got;" "So you know whether you're using it up too fast." Point out that keeping track of a resource over a period of time also lets a person see whether the amount of the resource is becoming greater or smaller (for instance, whether more cattle are dying or being killed than are being born, or whether trees are being cut down faster than they can grow back after being replanted). Keeping track of resources allows one to evaluate how well one is taking care of the resources and also to plan how to take better care of them in future.

Discuss how one might keep track of some of the resources students have named. For instance, how can one keep track of a herd of animals? (Counting them as they come into a corral or pen each night might be one way.) How can one keep track of hay? (Put it into bales of the same size and count the bales.) How can one keep track of time? (Look at a watch or clock to see how much has passed.) How can one keep track of money? (By writing down how much one spends and how much one gets.)

Now ask, "*Why might it be important to take care of a resource you are using?* Why can't you just use it up and be done with it?" Some good answers might be, "Because it lasts longer if you take care of it"; "because you might not be able to get any more"; "because other people might want to use it too." Discuss some examples. For instance, "Suppose you are raising a herd of cattle to sell for beef or to give your own family meat and milk. Now suppose you decide you don't want to spend the time and money to see that the cattle have enough to eat, enough to drink, a warm place to go when it's cold, a doctor when they're sick, and so on. What will probably happen? Will you be able to use those cattle for the purpose you wanted to use them for?" Or, "Suppose you have a machine of some kind, and the instruction book says you should clean it and oil it once every three months. Or suppose you are told that your car should have a tune-up every time it has traveled a certain number of miles. Probably the machine or the car will not stop running right away if you do not do these things. But what might happen after a while?" Bring out the idea that the machine or car probably will not run as well or last as long if it is not taken care of in these ways. Ask students for other examples in which taking care of resources might be important in order to make them last longer.

Taking care of resources is, of course, particularly important in the case c natural resources. This is a topic that students of today will probably fin especially interesting. *Ask students if they know any ways of taking care c. or renewing natural resources* (rotating crops, reforesting, setting aside safe areas where wildlife can multiply, etc.). Discuss examples that students bring up, and bring up others of your own if possible. You might talk, too, about what happened in cases where people did not take care of resources (either because they did not know how or because they did not want to bother). Explain what happened to soil, and the farmers that tilled it, before they knew about rotating crops to renew the soil. Bring up examples of animals which became extinct or nearly so because people killed a great many of them without giving them a chance to renew themselves (e.g. passenger pigeon, bison). Point out that *if natural resources are used up, polluted etc. without renewal, there will be nothing left for future generations to use.*

There are, of course, many *current examples of natural resources which are--or are not--being taken care of or renewed as they are used.* Depending on the interests and on the time, knowledge and other resources of you and your students, you may wish to go into any number of these. Some possible examples are strip mining (with or without replanting), logging (with or without reforestation), overfishing in the oceans, killing wild animals for their hides or other saleable products, building developments on what was farm land, damming rivers, etc., etc. Discuss why the resource named in a given example is or is not being taken care of or used well, how it might be used better or cared for better, what will probably happen if it is not cared for, etc.

Remind students that they have already discussed using resources to meet needs. But bring out the idea that people use the same resource in different ways, depending on the purpose they are trying to accomplish. If one knows one's purpose, one can shape the way one uses the resource to suit that purpose. *A sensible way to use or manage a resource for one purpose might be a very wasteful way for another purpose.* For instance, sewing by hand instead of by machine might be a good use of one's time and energy if one's purpose were to produce a special piece of emboidery, but might be a wasteful use of time and energy if one's purpose were just to make or mend clothing by sewing a series of long, straight seams. Ask students if they can think of other examples, either from their own lives or from the social and political milieu, of resources being well or badly (efficiently or wastefully) used to accomplish a particular purpose.

Discuss one or two other resources, showing how these three purposes guide their management, to make sure students understand the concept. If you wish, you may ask students to write a description of how some resource is managed as home work.

Now ask, "How did Indian tribes manage their resources long ago?"

Most tribes had some staple food which could be stored. For the California Indians it was acorns, for southwestern and eastern tribes corn, for Plains tribes, Buffalo meat, and for northwestern tribes fish such as salmon. Choose the group or groups to which your students belong, and ask them how their ancestors managed their food resources. Ask them how they kept track of the food, took care of it and used it.

1. Point out that it was very important to keep track of how much food they had, because it would have to last through the winter. Some tribes notched sticks or made scratches on rocks to help them keep track.

2. They also had to take good care of their supplies. They made special containers to keep out the damp, dirt, and insects. Some tribes stored food in packets of stiff oiled leather, some made storage chambers on legs, some kept supplies is deep holes in the ground lined with brush and hides, and took them out from time to time to make sure nothing was spoiled.

3. When they used the food, they were careful not to waste any (even hunting was never done just for sport--hunters apologized to the animal killed, and used every bit of it). They felt that natural resources were theirs to use, but not to abuse.

In this context, you could quote a speech made by Young Chief, A Cayuse in 1855, when his tribe was being pressed to sell its lands.

> "I wonder if the ground has anything to say? I wonder if the ground is listening to what is said? I wonder if the ground would come alive and what is on it? Though I hear what the ground says. The ground says, it is The Great Spirit that placed me here. The Great Spirit tells me to take care of the Indians, to feed them alright. The Great Spirit appointed the roots to feed the Indians on. The water says the same thing. The Great Spirit directs me, Feed the Indians well. The grass says the same thing, Feed the Indians well. The ground, water and grass say, The Great Spirit has given us our names. We have these names and hold these names. The ground says, The Great Spirit has placed me here to produce all that grows on me, trees and fruit. The same way the ground says, It was from me man was made. The Great Spirit, in placing men on the earth, desired them to take good care of the ground and to do each other no harm..."

If time allows, assign students to write reports on how their ancestors managed the resources available to them, and present them to the class.

Exercise 3. Representing Resources

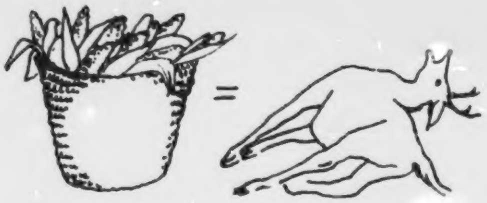
Begin this exercise by holding up a dollar bill. Ask students, "What is this?" They will probably answer, "A dollar..., money...," etc. But keep asking, until you arrive at the answer that it is simply a piece of paper with some pictures and writing on it. In itself, it is of no value whatever. However it represents value which can be exchanged for resources.

Reproduce and hand out to students copies of the reading on pp. 16-18 , and tell them that in this reading they will find out something about different ways resources can be represented, and why money is valuable.

REPRESENTING RESOURCES

If you have more of one thing than you need, and someone else has something you want, what can you do about it? One way to solve this problem is to trade.

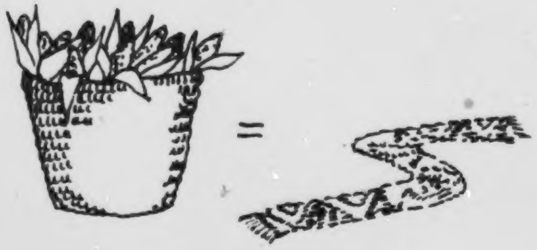
This is probably the first way people found to get resources they could not get for themselves. It is called *barter*.



If one family raised more corn than they needed that year, they might barter it for some meat a good hunter killed. The meat would be "worth" a certain amount of corn.

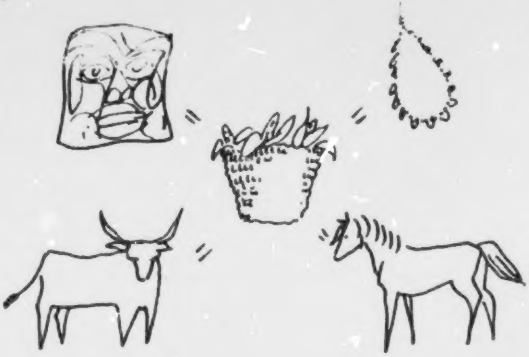
But some things people wanted came from too far away to trade. Arrowheads made from stone from one part of America have been found thousands of miles away. Indians in the southwest liked to use shells for jewelry. Indians in California found the shells and traded them to other tribes until they got all the way to the southwest. How much were the shells "worth?" Probably not much to the people by the ocean, but a lot to the people in the desert.

Other Indians liked shells too. The Indians on the east coast of America knew how to make clamshells into purple and white beads called wampum. The Iroquois used them to make belts with pictures that represented events in their history. They also used them to trade for other things.



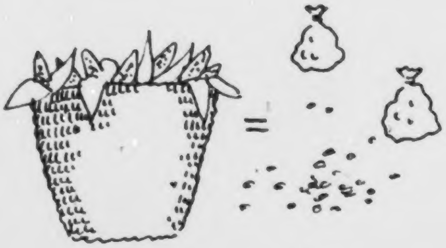
When people collect something not because they need it, but because everyone agrees that it has a certain value and can be traded for other things, they are using *money*. Tribes in northern California used beads made from dentalium shells. Northwest coast tribes valued pieces of copper with designs on them. Plains tribes kept herds of extra horses.

When white traders came, Indians used furs to buy cloth, beads, guns and other things they wanted.



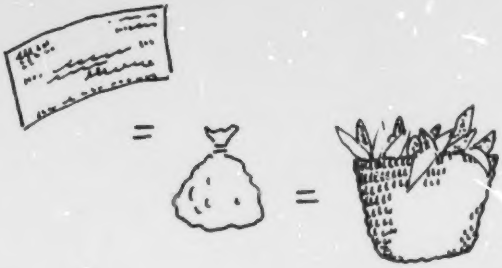
In other parts of the world, iron bars, lumps of salt, cattle and jewels have been used as money.

In Europe and Asia, people decided it would be easier to find out how how much something was worth if they made money out of metal. They made metals like gold and silver into coins. Each coin had a certain amount of the metal in it. Money which has a definite form and value is called currency.

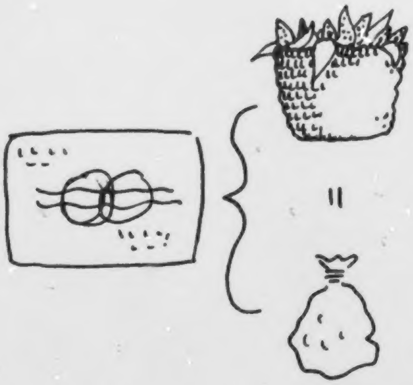


But a lot of coins can be heavy to carry around. So, countries printed up special pieces of paper, which represented certain numbers of coins. The government promises that the bill will always be worth a certain amount. If something happens to the government, the bills will not be worth anything.

Today, people have many ways to buy the things they need. If they put their currency in a bank, they can write checks to buy things in stores. The check is a note to the bank which tells it to give the person whose name is on it a certain amount of the check-writer's money.



Another way to get things is by using credit. You are using credit when someone gives you what you need in exchange for your promise to pay them later. If a company believes you are an honest person who usually has money, they may give you a credit card. You can show this at their stores and get the things you need. Showing the credit card is your promise to pay the company the money when they send you a bill.



Money does not meet people's needs. But it represents the value of resources that do. Money, like resources, must be managed. In the rest of this unit you will find out how.

Exercise 4. Review

When students have finished the reading, discuss it with them to make sure they understand what the different ways of representing resources are, and how they work. Go over with students the definitions of: barter, trade, worth, money, currency, checks, and credit.

Then, reproduce and hand out to students, or copy on the board the questions on the next page. Suggested answers are presented below. Discuss these answers with students when they have finished the exercise. Wording in #1 and #2 does not have to be exactly the same.

Sample Answers for Review Exercise

1. What are resources?

   Resources are things which people can use to meet their needs.

2. List the three purposes of managing resources:

   a. *keep track of the resources;*
   b. *take care of the resources;*
   c. *use the resources to meet a need.*

3. Fill in the blanks in the following sentences with the right word.

   a. Many tribes used shells as *money*.

   b. You are buying on *credit* when you promise to pay for something later.

   c. When Mary gives Teresa a pair of earrings, if Teresa promises to give Mary two magazines in return, what they are doing is *barter*.

   d. Quarters, pennies, nickles, and dimes are all *currency*.

   e. A *check* is a note to a bank telling them to give a certain amount of the writer's money to the person whose name is on it.

At the end of this activity, students should be able to answer the question, "What is Money?"

EXERCISE 4. REVIEW QUESTIONS

1. What are resources?

2. List the three purposes of managing resources:

    a.

    b.

    c.

3. Fill in the blanks in the following sentences with the right word.

    a. Many tribes used shells as ______________.

    b. You are buying on _______________ when you promise to pay for something later.

    c. When Mary gives Teresa a pair of earrings if Teresa promises to give Mary two magazines in return, what they are doing is _________.

    d. Quarters, pennies, nickles, and dimes are all ________________.

    e. A _____________________ is a note to a bank telling them to five a certain amount of the writer's money to the person whose name is on it.

Activity 2. Ways To Make Money Work

GOAL: To introduce students to some ways of using and managing the resource of money

OBJECTIVE: Students will consider advantages and disadvantages of twelve ways of using money.

WHAT STUDENTS WILL BE ASKED TO DO

- Write a short paragraph about advantages and disadvantages of each of twelve ways of using or saving money
- Read an article which discusses the nature, advantages, and disadvantages of each of twelve ways of using or saving money
- Choose which of the twelve ways they think is best for them and explain their choice
- Review what they learned in the article

MATERIALS NEEDED

- *For Exercises 1, 3, and 4:* paper and pencils.
- Reproduced pages as indicated in exercise instructions.

PROCEDURE

Briefly review the concepts of resources and resource management covered in Activity 1. Conclude that since money represents resources, it has the same characteristics and is subject to the same rules.

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*Remember that the directions given in this Teacher's Guide are only *suggestions*. Use them to create a course which best suits you, your individual students, and the amount of time available.

Now say, "If money is a resource, then it is something that can be managed. Why is it important to manage money well? What can happen to you and your family if you do manage money well? What can happen if you do not?" Bring out the idea that, since money is so important in current North American culture, good or bad management of this particular resource can have crucial effects on many aspects of one's existence.

Ask, "How can you manage money well? How can you keep track of money? What are some purposes for which you might use money? How can you best (most efficiently) use money to accomplish some of those purposes? Do you know any ways of using money so that it will grow?" Discuss these questions for a few minutes. Then tell students that in this unit they will be finding some answers for the questions. To begin with, in this Activity, they will be considering ways to use money.

Ask, "What ways to use money can you think of?" List students' answers on the board. Probably most of the items will be things to buy. After some items have accumulated, ask, "Can you think of any ways to use money besides buying things with it?" Some students may know about savings accounts, for instance. (Putting money in a savings account may not seem like *using* money to many students. Tell them it is, though, and that later in this Activity they will see why.)

Exercise 1. What Shall I Do With The Money?

Ask students what if someone gave you $200.00 to use as you please? Wouldn't that be great! What would you do with it? Would you spend it on dances, pool, candy, games? Would you buy a present for someone with it? Would you put it in a bank? Or what?

There's another question, too. How would you feel about your decision a few weeks or months later? If you bought something, would you still be enjoying it, or would you be sorry you had ever seen it? If you did something else with your money, would you be glad or sorry you made the choice you did?

Tell students you will give them a list of twelve ways they might use $200.00. Tell them to look over the choices carefully. Which ones sound foolish? Which ones sound like good ideas?

As them to say whether they think each of the ways of using money in the list is good or bad. If they can, say why.

If some of the ways are ones they have never heard of, tell them not to worry. They will learn more about all of these ways in this Activity. They should write down what they know now.

Reproduce and hand out copies of the list on p. 24 or copy it on the board.

This exercise can serve as another sort of pre-test, in that it examines the students' knowledge of some terms and concepts that will be discussed later in this Activity and, in some cases, in later activities in the Unit. Since the list of ways to use money contains some things with which most students probably will not be familiar (e.g. stocks, mutual funds), reassure students that there is nothing unusual in their not knowing these things and that they will not be penalized for their lack of knowledge. Tell them they will learn more about these things later in the Activity.

Be sure students have pencils and paper for this exercise. If students do the exercise in the classroom (rather than as homework), circulate through the room as they work and answer any questions they may have. Student answers to this exercise will vary but sample answers are given on pages 25-27 of this Teacher's Guide.

After students have finished their paragraphs, you will probably want to have a class discussion about their conclusions. Which ways of using money seem most sensible to them? Which seem least sensible? Can the class agree on the advantages and disadvantages of each way of using money, at least in regard to those ways which are familiar to them? Does anyone have special knowledge about some of the less familiar ways?

Exercise 1

TWELVE THINGS TO DO WITH MONEY

After each way of using money, write "good" or "bad." If you can, say why.

1. Put it in a cookie jar
2. Put it into a savings account at a bank; or put it into an account at a Savings and Loan company (explain the difference)
3. Buy a bicycle
4. Hide it in a mattress
5. Open a checking account
6. Buy a sewing machine or power mower
7. Start a life insurance policy
8. Buy fishing gear
9. Buy stocks
10. Buy U. S. Savings Bonds
11. Invest in a Mutual Fund
12. Bury it in the ground

Remember, the important thing is for you to *use* your money. You must decide whether to save it, invest it (that is, buy something such as stocks with it which may give you more money back than you put in--or may not), or spend it. Which do you think is the best choice?

EXERCISE 1

Answers will vary according to the experience and knowledge level of the students. It is unlikely that many students will be able to comment on all the ways given here. However, some possible answers might go as follows:

1. *Put it in a cookie jar.* This would be good because you would know where the money is, but it would be bad because somebody might find it and steal it.

2. *Put it into a savings account at a bank or a Savings and Loan company (explain the difference).* If you put money in a savings account sometimes you can't take it out again right away. It's a good place to keep money, though, because it's safe and because you get extra money for leaving your money there. A bank does lots of different things for people, like giving them checking accounts and safety deposit boxes, but a savings and loan company just has savings accounts and loans for people to buy houses. You get paid a little more for your account if you keep it in a savings and loan company.

3. *Buy a bicycle.* Buying a bicycle would be great if you needed a bicycle. It could be a good way to get around or even to earn some money. Buying one would be silly if you didn't need it, though. It also might not be such a good idea because the bike could get stolen or smashed up and then you wouldn't have either your money or your bike.

4. *Hide it in a mattress.* You'd have the money real close to you, but something might happen to it, like the mattress catching fire.

5. *Open a checking account.* Checks are good for times when you want to buy things or pay bills but you don't want to use cash. But a checking account is kind of a waste of time unless you are going to use it a lot. Nobody pays you money for putting your money in a checking account, the way they do with a savings account.

6. *Buy a sewing machine or a power mower.* These would be good things to have if you could use them a lot. You might even want to start a business with them. That wouldn't be a good idea, though, if lots of other people in your town already have sewing businesses or power mowing businesses.

7. *Start a life insurance policy.* A life insurance policy can help a family if somebody dies, so there is no one left to earn money for the family. But I don't think children usually get them.

8. *Buy fishing gear.* Great if you like fishing- dumb if you don't! It's just a thing for fun, too, so you'd want to be sure you didn't need the money for something more important or might not need it later.

9. *Buy stocks.* I hear that stocks can sometimes get to be worth a lot more than you paid for them, so that might be a good way to use your

money. But I've heard that sometimes stocks get to be just about worthless, too, so it might be pretty risky.

10. *Buy U.S. Savings Bonds.* Real safe, as good as a savings account or maybe better. Your money earns extra money, too. You have to wait a while to get your money back, though.

11. *Invest in a Mutual Fund.* This is safer than buying stocks because a Mutual Fund owns stocks in lots of different companies. So if a company goes broke, it won't hurt the Fund very much. They still might all go broke at once, though, so there is some risk involved.

12. *Bury it in the ground.* It might be pretty safe if you chose a place that was hard to find, but *you* might forget where you buried it too! Besides, it would get all dirty.

Exercise 2. Using Money Wisely

Reproduce and hand out pp. 31-48 . This exercise consists of a long reading passage which describe the nature, advantages, and disadvantages of the twelve ways to use money that students wrote about in the previous exercise. When students have finished discussing their own views about those ways to use money, have them begin reading.

This is an exceptionally long passage and contains quite a bit of material which may be unfamiliar to students. For these reasons, you may wish to read it to students, or to assign the sections one at a time and discuss each one after it is read, or both.

For your convenience, the twelve ways of using money which the passage discusses and the main points brought out in connection with each one, as well as some questions you may wish to ask in discussion in order to relate the material to students' own lives, are given below. The numbers refer to the positions of the items in the original list of twelve ways.

1. *Hide it in a cookie jar; 4. Hide it in a mattress; 12. Bury it in the ground.* (Discussed together) This section of the passage points out that these are ways of saving money, but they are not good ways because (a) they are not safe and (b) they do not allow the money to grow, as it may in a savings account or a well-chosen investment. *In discussion,* ask students if they have ever hidden away money like this, or if they know someone who has. If so, ask why that person hid the money. Did the money stay safe while it was hidden? If not, what happened to it? Why might a person choose to hide their money this way?

2. *Put it into a savings account.* This section of the passage introduces the terms *deposit, interest, compounded, savings and loan, balance,* and *mortgage.* Ask students to orally define the new terms after each passage. There are many new words that can be helpful to students if they really understand them. Besides introducing and defining these terms, the section brings out the safety of a savings account (because it is (the bank offers many services besides savings, e.g., checking accounts and safety deposit boxes, while the savings and loan company offers only savings accounts and home loans) and why savings and loan companies offer higher interest rates than banks (to encourage people to put money in savings-and-loans so the money will be available for home loans and more people can own their own homes)). The idea of money working or growing may be new to students, but point out that a savings account is one way of using money which permits this, i.e., permits people to take out more money than they put in (leaving aside changes in value due to inflation). *In discussion,* ask if any students have a savings account or know someone who does. If they do, ask what kind of institution the account is in and how much interest it pays. Ask if they know (or can find out easily) how often the interest is compounded, whether there are any restrictions on how soon the money may be removed, etc.

3. *Buy a bicycle.* This section of the passage brings out the idea that the purchase of a particular item, such as a bicycle, may be wise or foolish depending on circumstances and purpose. (Remind students that resource management in general can be wise or foolish depending on, among other things, how well it suits a particular purpose.) It would be wise if one needed transportation or, better still, could earn money by using a bicycle. It would be foolish if one already had a bike or had little need for one. The passage points out also that there is some risk in owning a bike, i.e. of loss by theft, vandalism or accident. *In discussion,* ask (a) which students have bikes; (b) how they got them; (c) how they use them; (d) whether they think buying the bikes was a wise use of their or someone else's money. You might also ask which students think that buying a bike would be a wise move for them, personally, if they had the money, and why they think so.

If your students live in a rural area where bicycles are neither particularly common, nor very useful, ask students if they can think of something similar which they could use. Possibilities might include a horse, a calf to raise, a boat, etc. Discuss the pros and cons of buying the item chosen along the lines outlined above.

5. *Open a checking account.* This section introduces and defines the terms *checking account, check,* and *endorse.* It also explains how a checking account works (a matter which students will go into more fully in Activities 2 and 3 of this unit). It points out that one advantage of a checking account is that it makes it easy to keep a record of what one spends, and that one disadvantage is that the money earns no interest (there is also a small service charge for the account). A checking account is not recommended unless one expects to have quite a bit of money coming in and going out. *In discussion,* you might ask students if anyone in their family (including themselves) has a checking account at a bank. If so, ask them what sort of things the person uses checks for and whether they think the checking account is really useful. Ask also if they know how much the service charges are on the account.

6. *Buy a sewing machine or power mower.* This section discusses the named objects mainly as possible equipment for a small business (such a business, centered around a sewing machine, appears again in Activity 5). It recommends that, before buying equipment for any small business, one ask oneself the questions, "Is there a market for the service I plan to offer? How many other small businesses in my area already offer this service? What will my expenses be? After expenses, what is my actual profit likely to be?" In other words, one should try to make sure one has a good chance of making money before one invests in equipment for a small business. *In discussion,* ask if students have ever thought about starting or tried to start a business of their own, or whether they know anyone who has. If so, ask (a) what money they had to put into the business (in terms of buying equipment, etc.), (b) whether they asked themselves (or think the person they are talking about asked him- or herself) questions like the ones listed in the passage, (c) how successful the business was or (if the business was only planned) how successful

they think it would have been, and (d) why it was or was not (or would or would not have been) successful (i.e. profitable).

7. Start a life insurance policy. Most children will never have considered (may, in fact, never have heard of) a life insurance policy for themselves, and, as this section points out, there would seldom be a reason for them to do so. However, they should know what such a thing is and why it might be useful for the breadwinner or money-earner of a family to have one. The section points out that such a policy is usually expensive and probably is not a good investment for a family with little money. *In discussion,* ask if anyone in the students' families or anyone they know has a life insurance policy. If so, ask if they know or can find out the main terms or conditions of the policy (e.g. how much would be paid on the death of the person, what causes of death are excluded, etc.) and how much the premiums cost. "Give an example of a person who has died, leaving their family without any means of support. How would owning an insurance policy have changed this? Think of a family who has reaped this benefits of owning a life insurance policy."

8. Buy fishing gear. Here, as with the bicycle and the sewing machine, the usefulness of the purchase depends on purpose and circumstance. This section brings out the additional point that purchase of a luxury or "fun" item, such as fishing gear, should be made only after more important needs (including future needs, such as schooling) are provided for. *In discussion,* ask which students think that fishing gear would be a wise purchase for them, and why. You might also ask what other items primarily for fun or hobbies they might like to buy if they could, and whether some of these would or would not be wise purchases and why.

9. Buy stocks. This section introduces and defines the terms *investments, stocks, shares,* and *stockbroker.* It points out that investing in stocks can be a more profitable, buy also more risky, thing to do than putting money in a savings account. *In discussion,* ask if anyone in the students' families owns or has owned stocks in a company, or if they know anyone who has. If so, ask (a) under what circumstances the person came to buy the stocks, whether he/she had any advice or not, and if so, whose; and (b) whether the stocks have made or lost money after they were purchased.

10. Buy U.S. Savings Bonds. This section points out that buying U.S. Savings Bonds is the safest way of investing one's money so that it will grow, and that many people have savings bonds bought automatically out of their paychecks each month. *In discussion,* ask students if they have ever bought or been given savings bonds, or if they know anyone who has. If so, ask how long they have to wait till the bond matures and how much it will be worth when it does (compare this to the amount they paid for it). Ask also if they know anyone who has bonds bought from his/her paycheck in the manner described in the passage.

11. Invest in a Mutual Fund. This section explains what a Mutual Fund is and why it is less risky than buying stocks (because it spreads the risk of failure among the many companies it invests in, while stock is all in one company). However, the section warns that expert advice is still necessary when purchasing shares of a Mutual Fund. *In discussion,* ask if students know anyone who has invested in a Mutual Fund. If so, ask how the person came to decide on that particular Fund and whether the Fund has made or lost money since the investment took place.

EXERCISE 2. USING MONEY WISELY

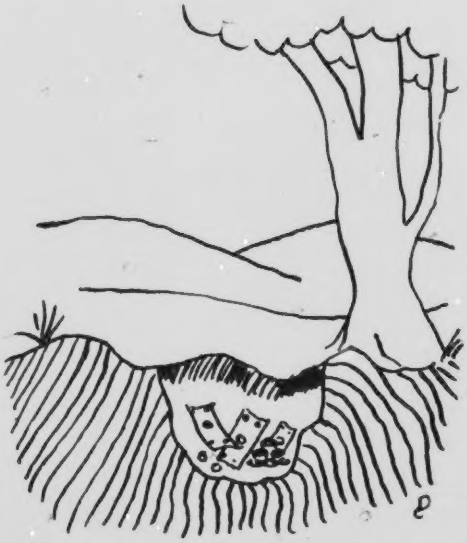
In the last exercise, you wrote down your ideas about twelve ways of using money. Now let's look at those twelve ways again, one at a time. Maybe the pages that follow will give you some new ideas about ways to use money.

★ To begin with, what about these three ways?

1. HIDE IT IN A COOKIE JAR
4. HIDE IT IN A MATTRESS
12. BURY IT IN THE GROUND

You probably guessed that all these are ways of saving money. But did you guess that they are not the most wise ways of saving money? If you don't need your money right away and you want to save it, there are better ways to do this. You can put your money in a bank or some other place that holds savings. But *don't* just leave your money lying around.

There are several reasons for this. For one thing, banks and savings companies are safer than any jar, mattress, or hole in the ground. What if a thief found your hiding place? Or what if there was a fire or a flood? All your savings could be lost.



But there's an even more important reason for not leaving or hiding your money around the house. Hidden money *isn't working for you.* It isn't *growing.* Money in a savings account actually earns more money, so that you end up with more money than you started with. This can never happen with money that is just hidden away.

★ All right, then-- what about this way?

2. PUT IT INTO A SAVINGS ACCOUNT

If you place or *deposit* your money in a savings account, it will be very safe. This is because deposits put into a bank or savings company are protected by the Federal Deposit Insurance Corporation or the Federal Savings Insurance Corporation. These corporations promise that if something happens to the savings company, they will pay your money back.

Even more important, your money will *grow.* When you put your money in a bank or savings company, you are saying that the bank or company can use your money for a while. The bank or company will pay you to do this. The money it pays you is called *interest.* Because of interest, after awhile you will have more money in your account than you put into it.

Putting your money in a bank or savings company and getting interest on it is one way to have your money make more money. The amount of interest you will get depends on several things. It depends on how much money you put in, of course. The interest is always a certain part or *percent* of the money you put in. The interest depends on how long you leave your money in, too. The longer you leave your money in the company, the more it will earn. And finally, the percentage of interest you get will depend on how much the company is giving at the time you put the money in.

Often your interest will be *compounded*, too. That means that you get paid interest on the interest as well as on the original amount you put in. If interest is compounded four times a year, for instance, then the bank or savings company figures how much interest your money has earned during the last three months at the rate of a certain percent per year. It then adds that interest to your balance (the record of how much money you have deposited). Now, next time the interest is figured, it is figured on your new balance--including the earlier interest. It is just as if you had really put more money in the bank

Let's look at an example. Suppose you deposited $200.00 into a savings account at the First Indian National Bank (FIN Bank). The FIN Bank pays 5% interest, compounded daily.

Now you would have:

Deposit	*Number of Years*	*Total Deposit Plus Interest*
$200.00	1	$210.78
	2	222.14
	3	233.34
	4	245.92
	5	259.18
	6	273.14
	7	287.88
	8	303.40
	9	319.76
	10	336.98

This is how your money works for you when you deposit it in a savings account.

There are two main kinds of places where you can open a savings account. One is a bank. The other is a savings and loan company. Do you know the difference between the two?

The main difference is that banks offer many kinds of services. In addition to savings accounts and loans to buy homes (called *mortgages*), banks offer checking accounts, and deal with both people and businesses. Savings and loan companies deal just with people-- people who want to save, or buy houses.

Savings and loan companies are allowed to offer higher interest rates on savings accounts than banks are. This is because the government wants to make it easier to buy homes. The more money savings and loan companies have, the more loans they can make, and the more people can buy their own houses.

There are two kinds of savings accounts. In the first kind, the money does not earn so much interest, but you can take it out whenever you want.

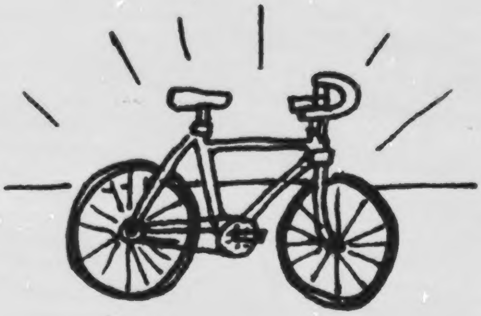
In the second kind, your money earns more, but you must agree to leave it with the savings and loan company for a certain amount of time.

Both banks and savings and loan companies may offer traveler's checks, safety deposit boxes, etc. Because banks have more services, and deal with companies as well as people, if there is only one place to save money in your town, it is probably a bank.

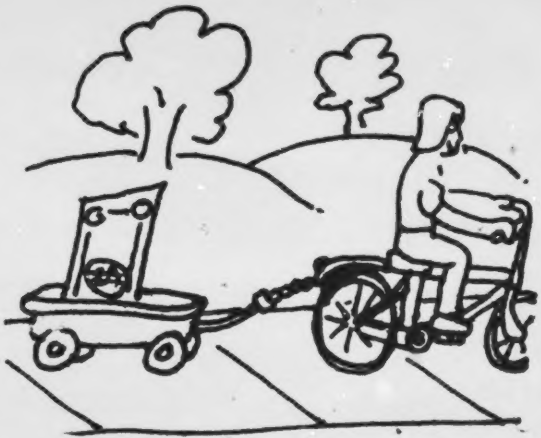
★ But suppose you don't feel like saving your money right now. You want to spend it. Here's one thing you could spend it for:

3. BUY A BICYCLE

Would buying a bicycle be a good idea for you? Well, if you have a perfectly good bicycle now, it might be pretty foolish to get a new one. You should ask yourself, "How much pleasure will it really give me to have a new bike?"



On the other hand, if you have a bike that's about to fall apart, or you don't have a bike at all, then a new bike might be just what you need. It could assure you of a good, dependable way to go places during the next few years.



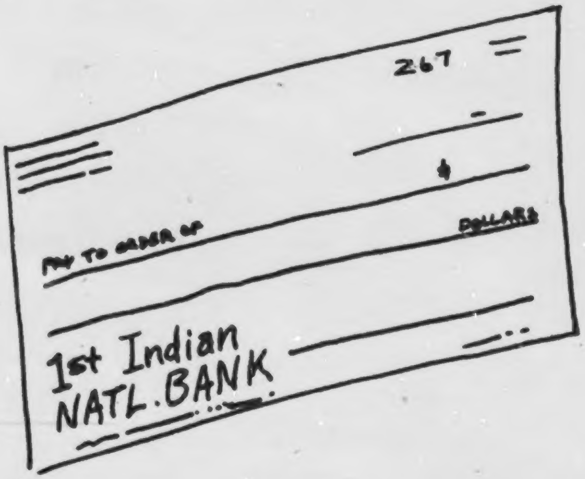
Better still, suppose you don't have a bike but you know a way to earn money if you did. Then a bike would be a very good investment for part or even all of your $200.00. For instance, if a paper route were available to someone with a bike, then it would pay for you to buy the bike so you could take the job. If the job paid well enough, you might be able to get back the price of the bike and more. Once again, your money would be growing. It would be working for you.

Of course, there is some risk in buying a bike, too. Bikes are often stolen. And they can be damaged in accidents. If your bike is ruined, you probably will have lost your money. But the pleasure and possible profit in owning a good bike may be well worth the risk to you.

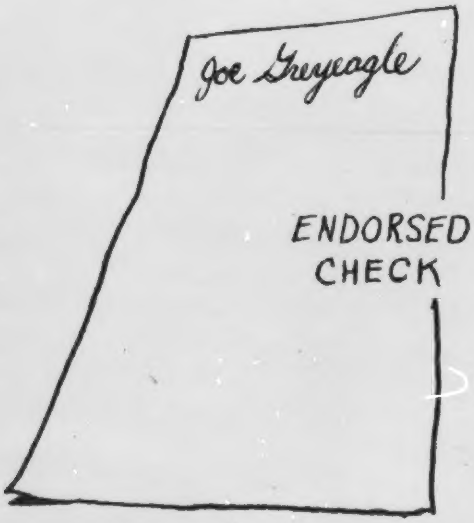
☆ There's one way of using money that's halfway between saving it and spending it. It lets you put your money in a safe place and spend it as you need it. If this idea appeals to you, you might--

5. OPEN A CHECKING ACCOUNT

A checking account can be very useful for paying bills and for keeping record of how you spend your money. Chances are that some member of your family has a checking account at a bank. You will learn more about writing checks and keeping track of them in later Activities.


267
PAY TO ORDER OF
DOLLARS
1st Indian
NATL. BANK

When you open a checking account, you put your money in the bank, just as you do for a savings account. You will not be paid any interest for money in a checking account. But you can get your money out very easily, any time you want it.


Joe Greyeagle
ENDORSED
CHECK

When you open a checking account, the bank gives you pieces of printed paper called blank checks. You use these checks to give or transfer your money to other people. You can pay bills or buy things by using checks.

On the check you will write who it is for and what amount you want to give that person or company. Then you write the date and sign your name. The person or company will cash the check at a bank. Your bank then subtracts from your account the amount of money that you wrote.

For instance, say that you deposited $200.00 in a checking account. Then you write a check to your landlord for $100.00. Your landlord takes the check to a bank and writes his name on the back of the check. This is called *endorsing* the check. He gets the $100.00, and your bank subtracts this amount from your balance. Now you have $100.00 left in your account.

A checking account is safe and handy. It also lets you keep an exact record of the money you spend. The cancelled checks (those that have been cashed) are returned to you each month. The cancelled checks serve as receipts, showing what you paid and to whom.

CHECKING
DC

There are some disadvantages to a checking account, though. It doesn't earn any interest. And the bank usually charges a small fee for your use of the account. You may have to pay 10 or 15 cents for every check you write. Often there is a service charge every month, too--maybe 50 cents. The bank will take these fees out of your account automatically.

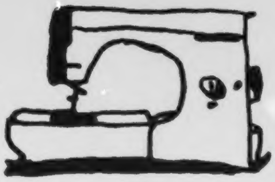
Unless you plan to start a small business and expect to earn quite a bit from it, you probably don't need a checking account now. It might be better to open a savings account and keep a small amount of cash on hand to take care of your expenses.

★ Buying a bicycle isn't the only way of spending money, of course. You might decide you want to--

6. BUY A SEWING MACHINE OR POWER MOWER

Why would you want a sewing machine or power mower? Maybe you just like to sew, or you want to have an easy way to mow the lawn. Or maybe you are ambitious and you don't mind hard work, and you plan to use the sewing machine or the power mower to start your own business. If that's your idea, it might be a good one. But *look* before you leap.

There are some important things to think about before you use your money to buy machines to start a small business. To begin with, ask yourself if anyone will want to buy what you have to sell?



If you want to start a sewing business, you may figure that people always need clothes and clothing repaired. But how is this need being met in your community now? If there are lots of stores with pretty, cheap clothes, or several other people with sewing businesses, there may be no need for you. But if nice clothes are hard to get, and you do good work, you might do very well.

Before you start any small business, ask yourself these questions:

. Does anyone need what I will do?

. Are other people already meeting this need?

. How much will it cost me to do it? (Expenses might include gas for the mower, thread and cloth for the sewing machine, repairs, etc.)

. After expenses, how much money will I have left?

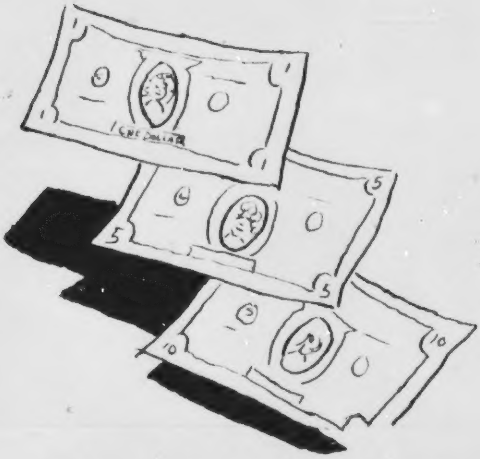
In other words, be sure you have a good chance of making money before you buy expensive equipment to start a small business.

☆ Here's a way of saving money you may never have thought of:

7. START A LIFE INSURANCE POLICY

I
Life
INSURANCE
Policy

A life insurance policy can be a good investment if you can afford it. The person who earns the money for a family is the best likely to want a life insurance policy. The insurance money would help take care of the family if that person should die.



You might think you're too young to want life insurance. You may not be, though. Some kinds of life insurance act like a form of savings account. You can't take your money out whenever you want, but after a certain length of time you will get money back, whether anybody dies or not.

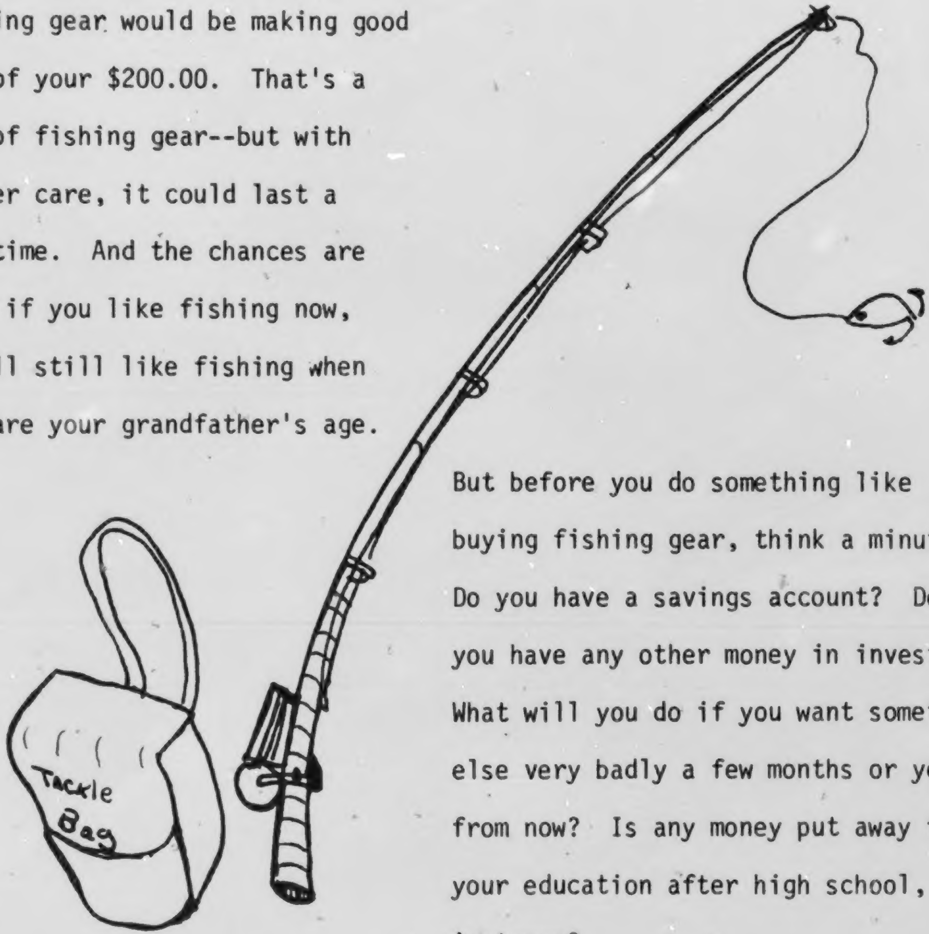
This kind of policy might be a good one to have. But most kinds of life insurance probably are not for you. Many insurance companies don't like to give out policies on young people. The death of a young person is a tragedy, but usually it is not a financial disaster for a family.

As a rule, your money can earn more money in a savings account or in investments like stocks than it can in a life insurance policy. Also, life insurance policies are expensive. Most people who don't have much money cannot afford them.

Here's another way of spending--

8. BUY FISHING GEAR

Only you can say whether buying fishing gear would be making good use of your $200.00. That's a lot of fishing gear--but with proper care, it could last a lifetime. And the chances are that if you like fishing now, you'll still like fishing when you are your grandfather's age.

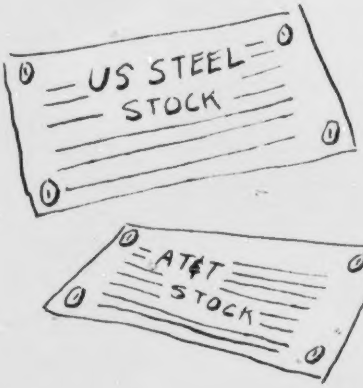


But before you do something like buying fishing gear, think a minute. Do you have a savings account? Do you have any other money in investments? What will you do if you want something else very badly a few months or years from now? Is any money put away for your education after high school, for instance?

If you or your family do have money put away for other needs, and if you really love fishing, then go ahead and buy the gear. It could be a good investment for you. Maybe you could even make some extra money by fishing. That would make the investment better still.

★ Another way of saving your money and making it grow--most of the time, at least--is by *investing* it. This means you let a business have the use of your money instead of a bank. There are several ways to invest money. One is to:

9. BUY STOCKS

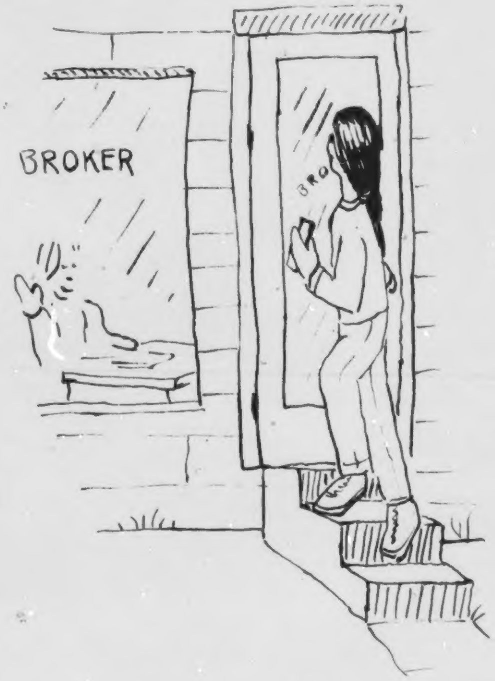


When you buy stocks, you trade your money for parts or *shares* of ownership of the business whose stocks you buy. When you own stock, you own a part of the company. Sometimes this gives you a chance to vote and help decide company policy.

Most people don't buy stocks because they expect to change or control a company, though. They buy stocks because this can be a good way of making their money grow. Each share of a company's stock is worth a certain amount of money. The amount depends on how well the company is doing (the amount of profit it is making) and how well people expect it to do in the future. The amount of money a stock is worth changes often--sometimes a little bit every day. If the company's business gets better, the amount each share of its stock is worth will go up. If a company does badly and loses money, the value of its stock will go down.

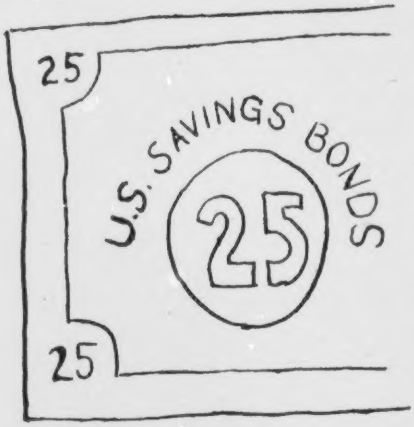
So, stock may or may not be a good investment--depending on whose stock you buy, and when. Investing in stock that rises quickly in value can let your money earn quite a bit more than it would in a savings account. But there is a lot more risk in stocks, too. No insurance company guarantees the safety of your investment, as the Federal Deposit Insurance Corporation does for your savings account. If the company whose stock you buy does badly, you can lose part or evan all of the money you invested.

Probably it would not be a good idea for you to buy stocks unless you have an expert to help you. Deciding which stocks are a good investment is hard, even for experienced people. If you really want to buy stocks, you should see a person called a *stockbroker*. A broker's business is buying and selling stocks of many companies. A good broker can give you helpful advice about stocks.

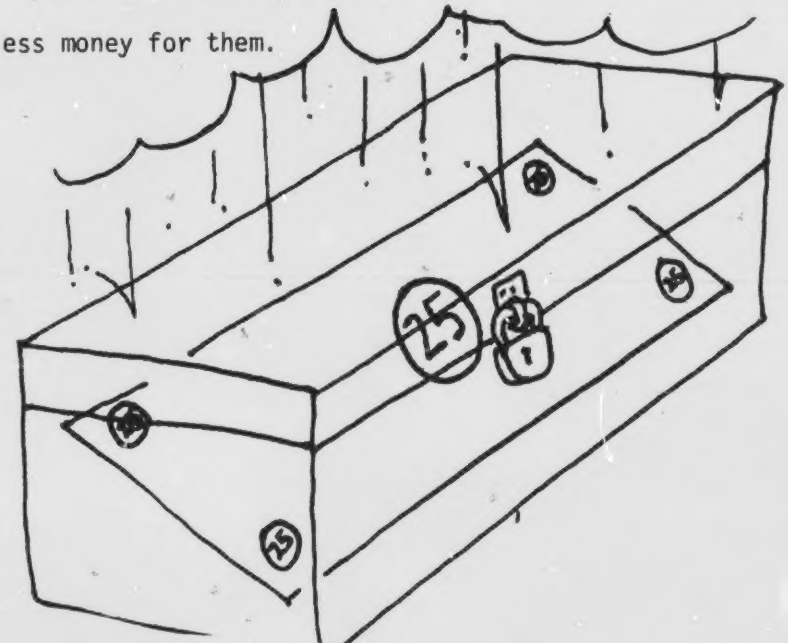


★ If stocks sound too risky for you, here's a safer investment you can make:

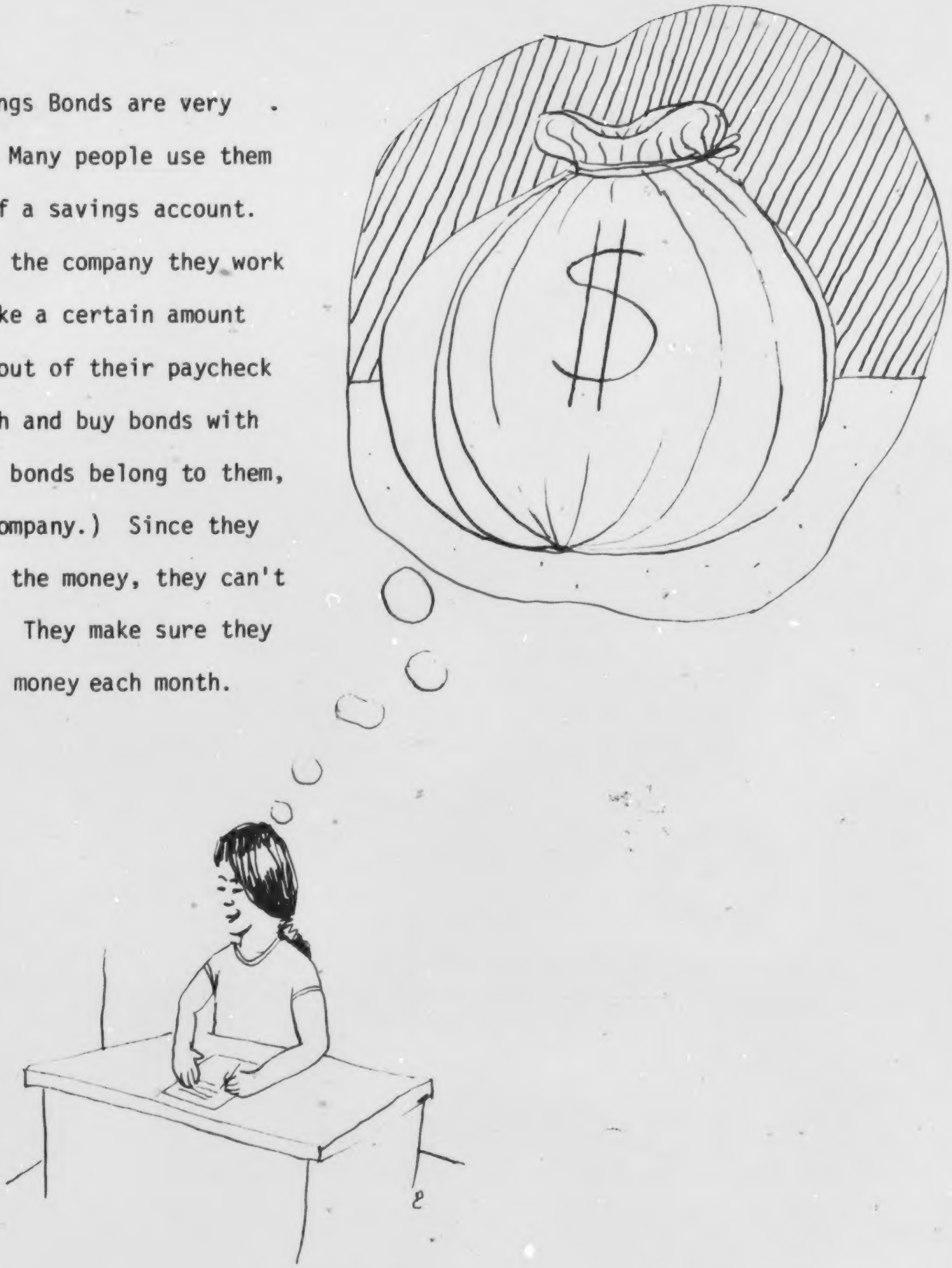
10. BUY U.S. SAVINGS BONDS



United States Savings Bonds may be the safest investment of all. They are issued by our Federal Government. If you invest your $200.00 in U.S. Savings Bonds, you could buy ten Series E bonds and have a little money left over. The Series E bonds would cost you $18.75 each. If you hold onto them for five years and ten months, you would get back $25.00 for each one that you bought. If you cash them in earlier, you will get less money for them.



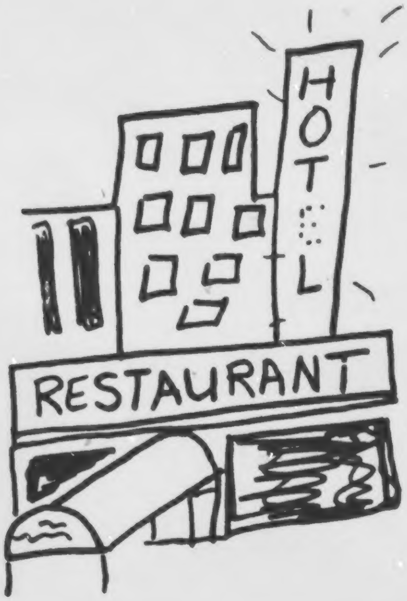
U.S. Savings Bonds are very popular. Many people use them instead of a savings account. They tell the company they work for to take a certain amount of money out of their paycheck each month and buy bonds with it. (The bonds belong to them, not the company.) Since they never see the money, they can't spend it. They make sure they save some money each month.



★ Another way of investing money is something like buying stocks, only a little safer. If you use your money in this way, you--

11. INVEST IN A MUTUAL FUND

A Mutual Fund is an investment company. It takes the savings of many people and invests them in many different stocks and bonds issued by private industries and businesses. For instance, it might own stocks in an airline, a restaurant, a plastics company, and a car dealer all at once.

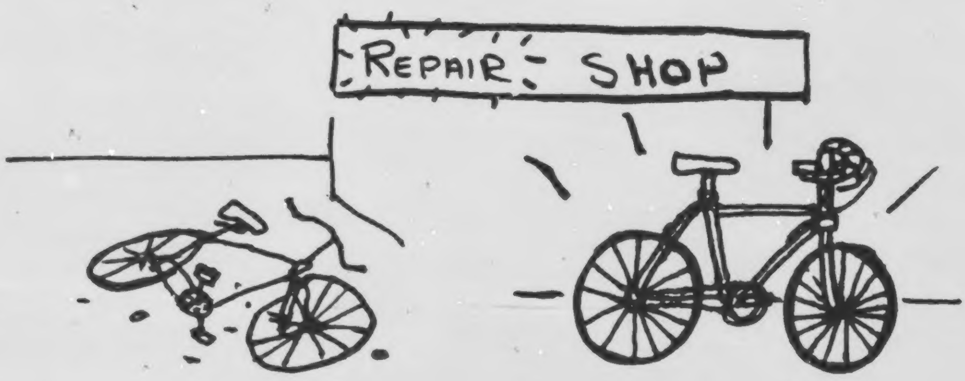


If you want to get into the stock market but don't know much about stocks, investing in a Mutual Fund might be a good idea for you. You don't have to decide which stock to buy, because trained people at the Fund will do that. Instead of owning shares of a single company, you own shares of the Fund.

Shares in a Mutual Fund change value, like stocks. If the companies a Fund invests in make money, the value of the Fund's shares goes up. If the companies lose money, the value goes down. Now one can tell you for sure if you will gain or lose money with a Mutual Fund.

Mutual Funds are safer than stocks, though. A fund invests in many different companies, so it does not "have all its eggs in one basket." If one company fails, that probably will not hurt the Fund very much. The other companies will keep up the value of the Fund's shares. There is still some risk that the Fund--and you--will lose a lot of money. But the risk is spread out over many companies, so it is much less.

Usually, shares in a Mutual Fund will earn more money than a savings account. But remember there is more risk, too. There are several types of Mutual Funds and many individual Funds to choose from. Before you buy shares in any of them, get expert advice. A stockbroker may be able to help you here. Or ask at your bank where you can get information about Mutual Funds.



Exercise 3. What Shall I Do With the Money? Part II

Now that students have examined and discussed in some detail twelve ways of using money, they should have a better idea of which ones are sensible (in their circumstances) and which are not. In this exercise, students are asked to think back over what they have learned in the previous part of the Activity and then decide what would be the best thing for them to do with $200.00 if they had it. They are asked to write down and explain their choice. They may write down some choice other than those on the list, e.g. some other item to purchase, but they must explain the reasons for this choice also.

When students have discussed all the twelve ways of using money described in the reading passage, reproduce and hand out to them the questions on p. 50 or put them on the board. Answer any questions they may have about the instructions, and make sure they have pencils and paper for this exercise. You may wish to assign this exercise as homework.

You probably will want to go over students' papers when they have finished. There is no one right answer to this exercise, of course; any answer which is supported by logical reasons that do not go against any of the facts presented is acceptable. Chances are that savings accounts, U.S. Savings Bonds, and the purchasing items (e.g. bicycle) will be among the most popular choices. A sample answer is given on page 52 of this Teacher's Guide.

After papers have been completed and corrected, you probably should ask students to volunteer their answers for class discussion. Have those who wish, tell what choice they made and why they made it, and then ask others if they think this was a wise decision and why. (Some students may feel their choices are too private and will wish not to discuss them. They should be allowed this privilege.) If possible, have the class agree on two or three generally sensible choices--but remember that the sensibleness of a choice depends on purpose and circumstances.

EXERCISE 3. WHAT SHALL I DO WITH THE MONEY? PART II

Now that you have learned more about twelve ways to use money, think again about the situation you imagined in Exercise 1. Imagine you have $200.00 that you can use in any way you like. Which of the twelve ways listed below do you think is best for *you?* On a separate piece of paper, write a paragraph or two naming the way you chose and explaining why you chose it.

To refresh your memory, here are the twelve ways again:

1. Put it in a cookie jar
2. Put it into a savings account at a bank or a Savings and Loan company
3. Buy a bicycle
4. Hide it in a mattress
5. Open a checking account
6. Buy a sewing machine or power mower
7. Start a life insurance policy
8. Buy fishing gear
9. Buy stocks
10. Buy U.S. Savings Bonds
11. Invest in a Mutual Fund
12. Bury it in the ground

Maybe you would rather use your money in some way that is not on the list--to buy something besides a bicycle, sewing machine, fishing gear or power mower, for instance. If you would rather do something that is not on the list, write down what you would do with the $200.00 and explain why.

EXERCISE 3

Answers will vary considerably. Any answer which is logically supported and which does not go against any of the facts presented in the article (including answers not in the list of twelve ways) should be considered correct. Here are a few possibilities.

I would put my money in a savings account or buy U.S. Savings Bonds because then the money would be very safe. Also it would be earning extra money so that when I took it out, there would be more than when I started. I don't need the money too badly right now, and I'd rather save it and have more for later.

I would buy a bicycle because I need a bicycle very badly. I have to walk a long way to get to school or the store. A bike would help a lot. I think I know somebody who would give me a job delivering things for him if I had a bike, too.

I would give the money to the doctor to get some medicine for my mother. She is sick and we do not have the money to get the medicine she needs. I really wish I did have two hundred dollars. I can think of a lot of things I would like to have, but having my mother get well is the most important to me.

Exercise 4. Review

When students have finished discussing their choices of ways to use money, give them ten minutes or so to look over the reading passage and refresh their memories about its content. Then reproduce and hand out the questions on pp. 54-55 . Go over the questions with the class to make sure students understand them.

Afterward, hand out or read to students the sample answers on pp. 56-59. Have students compare these answers with theirs, and correct their work. Go over the answers in class, and if necessary, direct students back to the places in the reading where the information was given.

Additional Activities

Bring, or get students to bring in, examples of some of the things discussed in this Activity--a checkbook, a savings accont book, stock certificate, etc., and let students examine them.

Additional Resources are listed on p. 135.

EXERCISE 4. REVIEW

Read the questions below. Then copy the questions onto a separate piece of paper and write a short answer for each one.

1. What is *interest?*
2. What does a Savings and Loan company do? How is this different from what a bank does?
3. Which pays higher interest, a bank or a Savings and Loan company? Why?
4. When might buying a bicycle be a good idea? When might it *not* be a good idea?
5. Does money in a checking account earn any interest?
6. What are checks useful for?
7. When you *endorse* a check, what do you do? When do you do it?
8. Name at least one question you should ask yourself before you decide to start a small business.
9. Name at least one reason why you probably should not get a life insurance policy. Who should get one?

10. When might buying fishing gear be a good idea? When might it *not* be a good idea?

11. What are stocks? When do stocks go up in value? When do they go down?

12. What is probably the safest investment you can make?

13. What is a Mutual Fund?

14. Why is buying shares in a Mutual Fund usually safer than buying stocks? Is a Mutual Fund as safe as a savings account? Why or why not?

ACTIVITY 1
REVIEW EXERCISE

1. Why is putting money in a cookie jar, a mattress, or a hole in the ground a bad way to save money? *Because it is not safe, and because the money will not grow.*

2. What is *interest? Interest is the extra money that a bank or Savings and Loan company pays you for letting it use the money in your savings account.*

3. What does a Savings and Loan company do? How is this different from what a bank does? *A Savings and Loan company keeps savings accounts and makes loans to help people buy houses. A bank also offers many other services, such as checking accounts and safety deposit boxes.*

4. Which pays higher interest, a bank or a Savings and Loan company? Why? *A Savings and Loan company pays higher interest. That makes more people put their money in Savings and Loan companies, which means that the companies can make more loans to help people buy houses.*

ACTIVITY 1
REVIEW EXERCISE (continued)

5. When might buying a bicycle be a good idea? When might it *not* be a good idea? *It might be a good idea if you need a way to get places or if you can use the bicycle to earn money on a job. It might not be a good idea if you already have a bicycle or if your bicycle is very likely to be damaged or stolen.*

6. Does money in a checking account earn any interest? *No.*

7. What are checks useful for? *Paying bills and buying things. They also help you keep track of how much money you spend.*

8. When you *endorse* a check, what do you do? When do you do it? *You write your name on the back of the check. You do it at the bank, just before you cash the check.*

9. Name at least one question you should ask yourself before you decide to start a small business. *You could have named any one of these questions: Is there a market for the service you plan to offer? How many other small businesses in your area already offer this service? What will your expenses be? After expenese, what is your actual profit likely to be?*

ACTIVITY 1
REVIEW EXERCISE (continued)

10. Name at least one reason why you probably should not get a life insurance policy. Who should get one? *Life insurance policies are expensive, and young people usually do not get them. The person who earns the money for a family should get a life insurance policy.*

11. When might buying fishing gear be a good idea? When might it *not* be a good idea? *It might be a good idea if you really like to fish and if you have other money put aside for other expenses. It might not be a good idea if you do not have other money put aside for expenses such as schooling.*

12. What are stocks? When do stocks go up in value? When do they go down? *Stocks are parts or shares of the ownership of a company. They go up in value when the company makes money. They go down in value when the company loses money.*

13. What is probably the safest investment you can make? *U. S. Savings Bonds.*

ACTIVITY 1
REVIEW EXERCISE (continued)

14. What is a Mutual Fund? *A Mutual Fund is an investment company that buys stocks and bonds from many different businesses.*

15. Why is buying shares in a Mutual Fund usually safer than buying stocks? Is a Mutual Fund as safe as a savings account? Why or why not? *A Mutual Fund is safer than stocks because the Fund owns stock in many different companies. This spreads out the risk. If one company fails, it usually doesn't hurt the Fund much. But a Mutual Fund isn't as safe as a savings account, because the Fund isn't insured, and the savings account usually is.*

Activity 3. Writing Checks

GOAL: To introduce the procedures and purposes of check writing and some careers in banking.

OBJECTIVE: Students will write simulated checks and balance a checking account and learn about banking careers.

WHAT STUDENTS WILL BE ASKED TO DO

- Read instructions for writing checks and examine sample check forms
- Write simulated checks to one another.
- Read instructions for balancing a checkbook and examine sample check stubs
- Fill out and do necessary arithmetic on simulated check stubs, using information from checks they wrote and received
- Read about banking careers
- Answer review questions

MATERIALS NEEDED

- paper, pencils
- stables and stapler
- scissors
- reproduced pages from this Guide as indicated in exercise instructions

PROCEDURE

Introduce the activity to students by relating the following story:

> "Pat Whitecloud used her checking account mostly for paying her living expenses. She did not have too many--apartment rent, groceries, clothing, and health expenses were the major ones. She did not write down the amount she wrote checks for, but kept it in her head. This worked well until one day she received a notice from the bank saying her account was overdrawn $7. Plus, she had to pay a $5.00 service charge for her mistake. "From now on," Pat said flatly, "I'm going to keep all of my money in my bottom drawer at home. Then the bank won't be able to take any money anymore."

Ask students if they can figure out what happened to Pat's account. Do they think her solution is the best one? Can they think of any other ways she might avoid this problem? One way would be to learn to use a checking account correctly.

Remind students that starting a checking account was one of the ways of using money which they discussed in the last Activity. Review briefly what you discussed at that time. Ask, "What is a checking account? What are checks? What are some of the good things about having a checking account? What are some of the bad things?"

Ask students if any of them have a checking account or if anyone in their families does. If possible, have one of them produce a blank check and pass it around, or pass around one of your own. Discuss what sort of information each line on the check should contain. If check stubs are available, discuss and examine them also.

Exercise 1. Checks for Everybody

Before you have students begin this exercise, prepare one "checkbook" consisting of 21 "blank checks" for each student by duplicating the blank check page (page 62) of this Teacher's Guide, cutting out the "checks" and stapling them together into a book.

In this exercise, students will be asked to write simulated checks to one another, following the instructions on pages 63 and 64. Reproduce these pages. They will also be asked to keep track of the checks they write by filling out the top part of the check stubs in their "checkbooks." (Remind students that keeping track of resources is one important part of good management of resources. Tell them they will learn more about keeping track of checks and money in the next two Activities.)

When you are ready to have students begin this exercise, pass out the "check books." (If duplication of the check forms is impossible, draw a check form on the board and give the students enough paper to make their own check books.) Pass out scissors, also, for cutting the stubs loose from the checks.

Have students read, or read to them, the instructions for check writing given on pages 63 and 64. Discuss these instructions to make sure students understand them; answer any questions students have. Also discuss the filled-out sample checks on page 65. Make sure that students understand what to write on each line of a check and the top part of a check stub.

Also, make sure students understand that this is just a classroom exercise. Tell them they should never make out checks "in fun" with real check blanks. Point out that it is against the law to write a check against someone else's account. There are severe penalties for writing "phony" checks, and many ways of tracing people who do so.

Let students work in the workgroups, or if you prefer, you can divide the class into two larger groups. When students understand all the instructions and what they are to do with the blank checks, tell them to go ahead and write their checks. Remind them to keep the checks they are given by the other students. As students work, circulate through the room and help anyone who has questions or problems.

BLANK CHECKS AND STUBS

STAPLE HERE

NO.______ $______

______ 19____

TO______

FOR______

	DOLLARS	¢
OLD BALANCE		
DEPOSITED		
TOTAL		
THIS CHECK		
NEW BALANCE		

NO. 777-1

______ 19____

PAY TO THE ORDER OF ______ $ ______

______ DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D. C.

234: 00 101 D G:

STAPLE HERE

NO.______ $______

______ 19____

TO______

FOR______

	DOLLARS	¢
OLD BALANCE		
DEPOSITED		
TOTAL		
THIS CHECK		
NEW BALANCE		

NO. 777-1
S

______ 19____

______ ______

______ DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D. C.

234: 00 101 D G:

INSTRUCTIONS:
Make up books of 21 checks. Staple at left corner - Cut both top and bottom carefully.

EXERCISE 1. CHECKS FOR EVERYBODY

Have you ever wished you had enough money so that you could give all your friends some? Well, in this Activity you will have a chance to do just that--in make-believe, at least.

Your teacher will give each of you a book of blank checks. Each person will start with $1,000 in his or her imaginary checking account.

Write out one check to each other person in your group, in any order that you want. If you have extra checks left over after you have written out one to each person, write out extra checks to anyone you want.

For this Activity, each check should be for more than one dollar and less than one hundred dollars. (In writing real checks, there is no such limit. A person can write a check for one cent, or for any large amount, so long as he has at least as much money in the bank as the amount he writes.)

For this Activity, *two* of your checks should have zero cents (that is, they should be for an exact number of dollars plus 0 cents, like the sample check made out for $35 cash by "Will White Eagle.") All your other checks should have some number of cents different from zero. Use the sample checks as a guide when you make out your checks.

You may choose whatever you want as the "reason" why you are giving each other person a check. Write the reason in your check stub after the word *"FOR,"* as is done on the sample checks. Your reason can be funny, but it should not be insulting.

Fill out the upper part of each check stub before you give the person the check. Write down the check number, the amount of the check, the date, the person you wrote the check to, and the reason you paid that person money. Again, use the sample checks as a guide. Your check number should be *"1"* for the first check you write, *"2"* for the second, and so forth.

Do *not* work with the lower half of the check stub yet. You will do that later.

After you finish each check and the upper half of the stub that goes with it, take the check from the stub and give the check to the person you wrote it for. Then start writing a check for someone else.

If you make too many mistakes, so that the check is going to be wrong, cut it off, tear it up and throw it away. Write *VOID* across the stub. (Void means "no good" or "worthless.") Then start again with a new check.

Keep all the checks that you receive from other students. Stack them neatly so that you don't lose them. You will need them for the next exercise.

(WRITE YOUR NAME HERE)

SAMPLE CHECKS

NO. 16 $ 35 00/xx
July 21 75
TO Cash
FOR Groceries

STAPLE HERE

	DOLLARS	¢
OLD BALANCE		
DEPOSITED		
TOTAL		
THIS CHECK		
NEW BALANCE		

NO. 16
July 21 19 75
777-1/5

PAY TO THE ORDER OF Cash $ 35 00/xx
Thirty five and 00/xx DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D. C.

Will White Eagle

234:00 101 D G:

NO. 17 $ 7 05/xx
July 23 75
TO The Tribe of Six Feathers
FOR Subscription for [illegible]

STAPLE HERE

	DOLLARS	¢
OLD BALANCE		
DEPOSITED	10	00
TOTAL		
THIS CHECK		
NEW BALANCE		

NO.
July 23 75
777-1/5

PAY TO THE ORDER OF The Tribe of Six Feathers $ 7 05/xx
Seven and 05/100 DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D.C.

Will White Eagle

234:00 101 D G:

Make sure that students have the check stubs they filled out in the last Activity and the checks they received from other students in that Activity. Remind them that they did not fill out the bottom parts of their check stubs in the last Activity; tell them they will do so now. They will use the bottom parts of the stubs to help them *keep track of* the money (checks) they gave and received. Ask, "What is keeping track of resources a part of?" (Good management of resources.) "Why is it important to keep track of resources? Why might it be particularly important to keep track of checks in a checking account?"

Exercise 2. How Much Goes Out? How Much Comes In?

Discuss these questions with students for a few minutes. Bring out that, among other things, it is important to keep track of money in a checking account so that the account will not become overdrawn--that is, so one will not write checks for a larger amount than is in the account. Explain that it is not against the law to be overdrawn, as it is to deliberately write a "phony check"; however, there are penalties involved, starting with service charges charged both by banks and by many stores for returned checks (explain that a bank usually will not cash a check if there is not enough money in the account to cover it) and ending with the refusal of stores to accept checks from a person who gets on a "bad check list."

In this exercise, students will be asked to read instructions, examine sample filled-out check stubs, and then use the instructions and the samples to fill out their own check stubs and balance their simulated checking accounts. Ability to add and subtract correctly is required. Students are also re-introduced to the idea of endorsing checks. Reproduce and hand out pp. 67-70 and have students read the directions for the exercise which are given on that page and the two following pages. Have them examine the sample filled-out check stubs on page 69 and the endorsed check on page 70, also. You may give the students time to read the directions to themselves first, or you may read them to the students. In any case you should go over and paraphrase the instructions to make sure the students understand them. Answer any questions students may have.

You might want to point out that there is nothing intrinsically good or bad about either a high or a low balance in this exercise. Say something like, "If your final balance is high, your classmates were especially generous with you. That must mean they like you. If you final balance is low, you were especially generous with your classmates. That probably means you are a friendly and helpful person."

Students probably will work individually in this exercise. As they work, circulate around the room and work with anyone who needs special help either in mathematics or in understanding the process of balancing a checkbook.

EXERCISE 2. HOW MUCH GOES OUT? HOW MUCH COMES IN?

Now you have your check stubs showing all the checks you have written. You also have the checks that were made out to you by the people in your group.

You are going to put the checks that you received in your bank. account. You are also going to take away the checks that you have written. In this way, you will find out what your new balance is. (The *balance* is the amount of money you have in your account after the adding and subtracting is done.)

Look at the sample stubs made out by "Will White Eagle" on page . On the day that Will wrote out the check to The Tribe of Six Feathers, he also deposited $100 in his account. He added that amount to his old balance. Then he subtracted the amount of his check to The Tribe of Six Feathers, because that money had to come *out* of his account. In this exercise, you will be doing these same things. You will add to your account the checks that were given to you and you will subtract from your account the checks you wrote to other people.

In this exercise you will be using the lower halves of your check stubs. On your first stub, next to *"Old Balance,"* write $1,000 and 00 cents. This is the amount that you have in your bank account to start with.

Now you will put some money in your account. You can deposit either a single check (any of the ones that you received), or you can add two or more checks together on a piece of scratch paper and deposit the total amount. Either way, write the amount that you are putting into the bank opposite the word *"Deposited."*

Add the amount deposited to the Old Balance. Write the new total opposite the word *"Total."*

Now, copy the amount of the check that you wrote from the top of the page. Write that amount next to the words *"This Check."*

Subtract the amount of *"This Check"* from your *"Total."* The result that you write at the bottom is your *"New Balance."*

Write all amounts in neat columns so that you can add and subtract them easily.

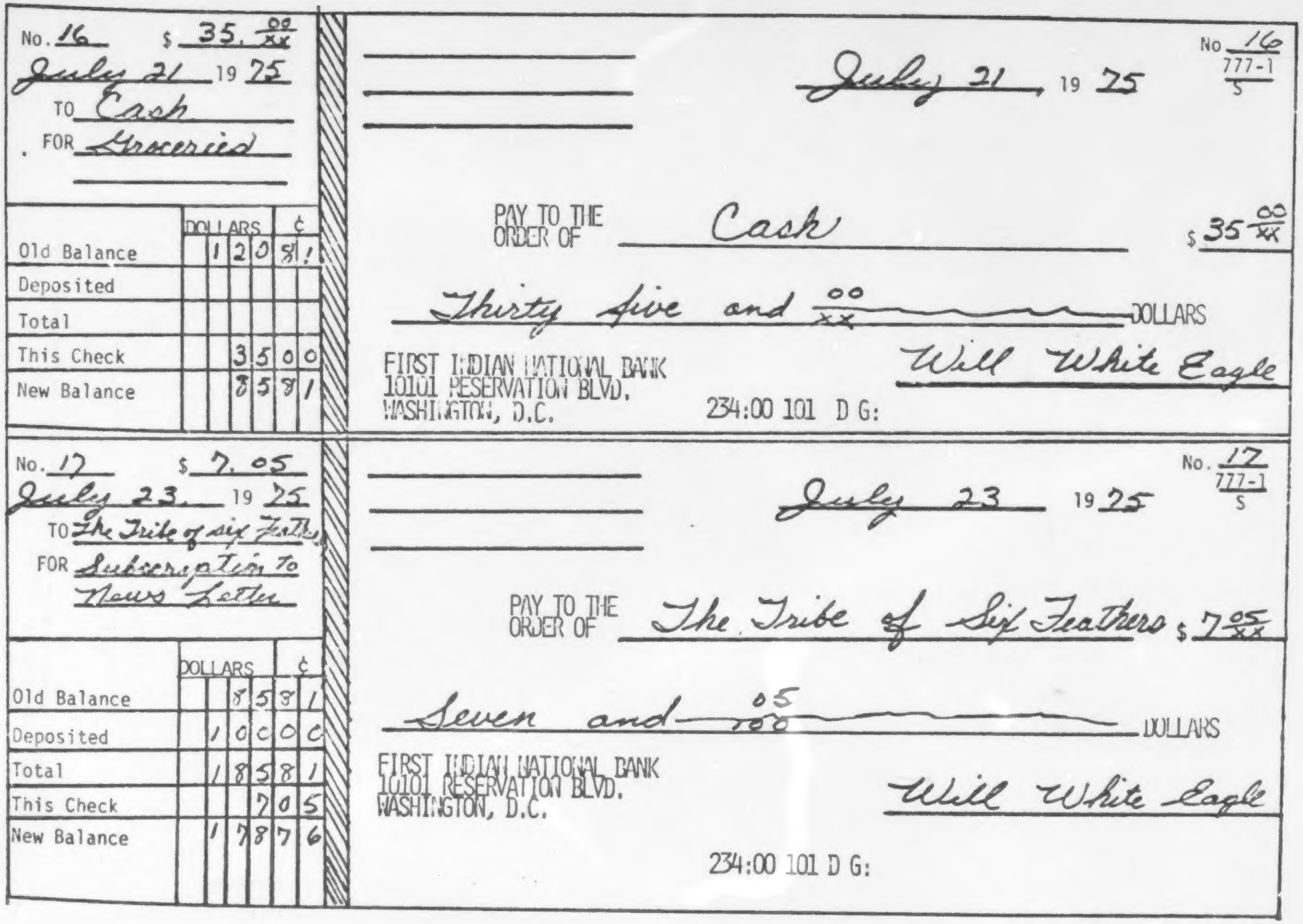
When you get a new balance, write that new balance as the *"Old Balance"* on your next stub. Then make your new deposits, if any. Then subtract the amount of the next check. Keep doing this with each stub, in order, until you come to the end of your book.

The last *"New Balance"* that you write is the amount of money you have left in your account. (In real life, if you are not careful, you might end up having written checks for more money than you have in your account. If this happens, the bank will return your checks to you. It will not cash them until you deposit some more money. If you ever have a real checking account, don't let this happen.
Usually the bank, or the company you wrote the check to, or both, will charge you a fee of several dollars for each check that is returned.)

You may run out of deposits before you come to the end of your checkbook (especially if you add several checks together to make a deposit.) That is all right. Will White Eagle did not make a deposit every time he wrote a check, either. Most people write many more checks than they get, so real checkbook stubs often do not show deposits.

Every time you deposit a check, you must *endorse* it by writing your name on the back. Look at the way Jim Thundershield (the owner of Jim's Fishing Tackle) endorsed the back of Will White Eagle's check. (The endorsed check is shown on page 70 .) Do yours that way too, with your own name.

FILLED-IN CHECK STUBS



No. 16 $ 35.$\frac{00}{xx}$
July 21 19 75
TO Cash
FOR Groceries

	DOLLARS	¢
Old Balance	120	81
Deposited		
Total		
This Check	35	00
New Balance	85	81

No 16
777-1
5

July 21 19 75

PAY TO THE ORDER OF Cash $ 35$\frac{00}{xx}$

Thirty five and $\frac{00}{xx}$ DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D.C.

Will White Eagle

234:00 101 D G:

No. 17 $ 7.05
July 23. 19 75
TO The Tribe of six Feathe
FOR Subscription to News Letter

	DOLLARS	¢
Old Balance	85	81
Deposited	100	00
Total	185	81
This Check	7	05
New Balance	178	76

No. 17
777-1
5

July 23 19 75

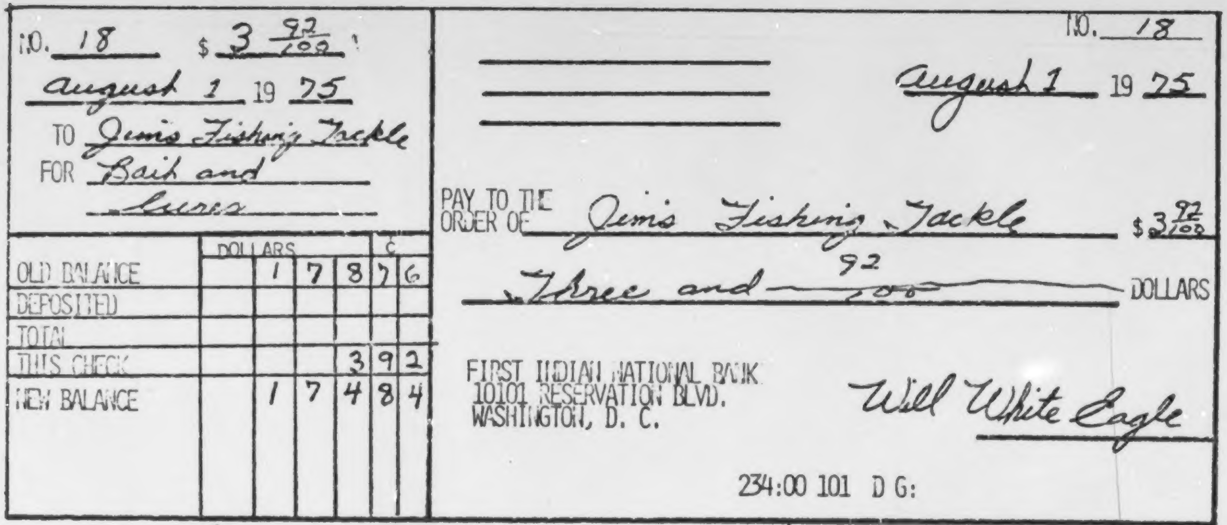
PAY TO THE ORDER OF The Tribe of Six Feathers $ 7$\frac{05}{xx}$

Seven and $\frac{05}{100}$ DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D.C.

Will White Eagle

234:00 101 D G:



NO. 18 $ 3 92/100

august 1 19 75

TO Jim's Fishing Tackle

FOR Bait and

lures

	DOLLARS				C	
OLD BALANCE		1	7	8	7	6
DEPOSITED						
TOTAL						
THIS CHECK				3	9	2
NEW BALANCE		1	7	4	8	4

NO. 18

august 1 19 75

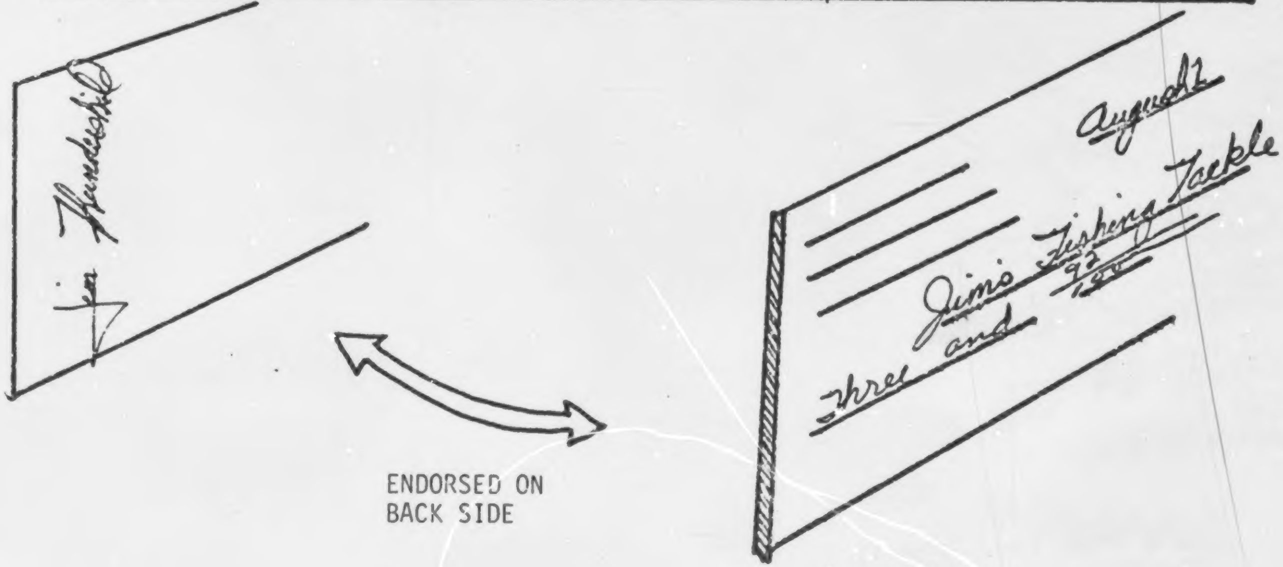
PAY TO THE ORDER OF Jim's Fishing Tackle $ 3 92/100

Three and 92/100 DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D. C.

Will White Eagle

234:00 101 D G:


Jim Thundershield
august 1
Jim's Fishing Tackle
Three and 92/100
ENDORSED ON
BACK SIDE

SAMPLE CHECK ENDORSEMENT

70

Exercise 3. Banking

By this time, students may be curious about what goes on inside a bank. Explain that banks employ a great many people. Tell them that you will be giving them a short reading which describes what some of these people do. Reproduce and hand out pp. 72-73.

Banks are probably the kind of business that offers the greatest number of jobs which involve handling money. No matter where students may live, there is probably a bank nearby. Banks have an interest in public relations, so it should be possible to arrange for students to visit one, or to get someone from the Bank to visit the class. Below are some questions which students can use to gather information.

1. Is this a local bank, or a branch of a larger one?
2. How many people work there?
3. What are their jobs?
4. Does this bank offer on-the-job training?
5. What services does this bank offer?
6. What do they look for in people they are hiring for beginning jobs?

For more information on Banking jobs, write:

The American Banker's Association
90 Park Avenue
New York City, N. Y. 10016

A slide/tape titled Career Opportunities for American Indians in Banking is available from: Career Education Demonstration Project for American Indian Children, School of Education, University of South Dakota, Vermillion, South Dakota 57069.

EXERCISE 3. BANKING

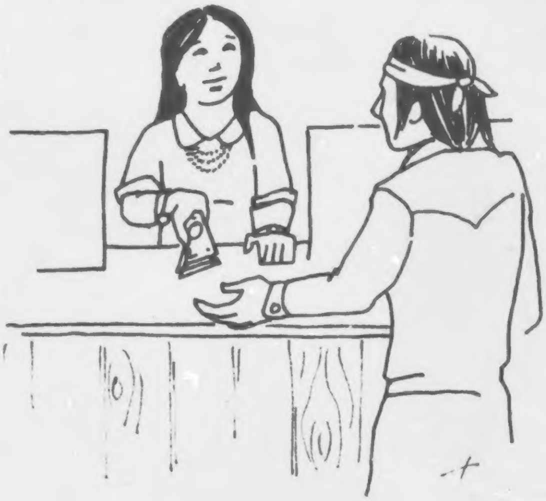
Now you have learned how to write checks. But what do you know about the bank that takes care of your money? Many people work in banks. Here are some of their jobs.

Bank Officers

When you first put your money in the bank, you will probably meet the manager. He or she will help you open your account. Banks also have officers in charge of loans, investing people's money, writing to others banks, etc. The bank president is in charge of everything.

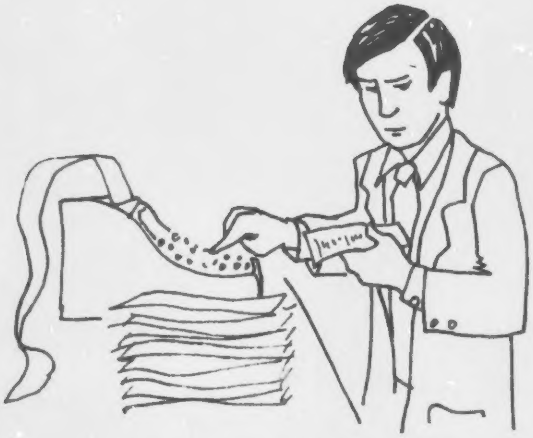
Tellers

When you want to put money into your account, or take it out, the teller helps you. Tellers cash checks, change coins to bills, record loan payments, sort the checks and deposit slips they receive, and check their records at the end of the day to make sure everything is correct.



Clerks

Bank clerks do not meet the people, but they do many jobs to help the bank take care of your money. In a big bank there are different clerks to do each job. In a small bank one person may do many things.



Some of the things that clerks do are: sort checks; add up how much money people have put into the bank, and how much they have taken out; figure out how much interest the bank should pay or charge; keep records; and put together information. Bank clerks use many different business machines.

If you want to work in a bank, you should be good at arithmetic. You should take classes in bookkeeping and toher office skills in high school. If you can, you should do some work in which you handle money, like selling things, before applying for a bank job. Banks like to hire people who are neat, can be trusted, and don't talk about other people's business.

Once you start work at a bank, you will have many chances to learn.

To get better jobs in the bank, you will need a Jr. College, College or even graduate school degree, probably in Business.

Banks offer training for their employees, and will help them get more education. The American Institute of Banking offers courses in most big cities and correspondence courses too.

Exercise 4. Review Questions

When students have finished the reading, give them a chance to look over the material they have studied in this Activity again. Then give them the questions on pp. 75-76 of this book. In this exercise, students will be asked to answer some questions about check-writing, balancing a check-book, and banking careers. Make sure students understand what they are to do and that they have pencils and paper for this exercise.

When students have finished the review exercise, read or give them the sample answers on pp. 77-78 . Remind them that their answers will be correct as long as they express the same idea as the examples. They do not need to use the same words.

When students have finished the review exercise and checked their work, discuss the answers with them to make sure they understand the concepts in this Activity.

Additional Activities

In addition to the activities suggested in Exercise 3, there are a number of other ways in which students could find out more about checking and banking.

You might assign different students or workgroups to visit different banks in the area and find out what the differences between them are. Another activity would be to actually open a checking account at one of the banks. This would be especially useful in conjunction with a class project such as a trip or party. Students could raise money, put it in the bank, open a checking account, and use it to pay expenses of the project.

See page 135 for additional resources.

EXERCISE 3. REVIEW QUESTIONS

1. If you have $62.50 in your checking account, what is the largest amount of money you can write a check for? __________

   If you write more than one check, how large can their total added together be? __________

2. What are two things you write on a check when you fill it out?

   a. ____

   b. ____

3. What are two things you write on the upper part of a check stub when you fill it out?

   a. ____

   b. ____

   ____

4. If you see a check with VOID written across it, what has happened? (check one)

   ____ a. the writer of the check is out of money.

   ____ b. the writer of the check made a mistake.

   ____ c. the writer of the check is empty-headed.

5. Complete this sentence:

   When you balance a checkbook, you _______ the amounts of the money you have deposited, and _____________ the amounts of the checks you have written, so you will know how much money you have.

6. Do you have to make a deposit every time you write a check? _______

7. What do you have to do every time you cash or deposit a check some one else gives you? ____

8. Suppose your old balance is $129.74. You deposit $50.00 and write a check for $24.25. What is your new balance? ____________

9. Complete the following sentences:

   a. If you want to work in a bank, you should be good at ________________.

   b. The ____________ is the person who takes your money when you want to put it into your account, and cashes your check when you take money out.

   c. The people who sort help sort things, keep records, and put together information are the ________ .

   d. To get better jobs in the bank, you should go to college and study ________________.

EXERCISE 3. REVIEW QUESTIONS

1. If you have $62.50 in your checking account, what is the largest amount of money you can write a check for? *$62.50*

   If you write more than one check, how large can their total added together be? *$62.50*

2. What are two things you write on a check when you fill it out?

   a. the name of the person you are writing it to

   b. your name (also, the date, or the amount of money, the check number, etc.)

3. What are two things you write on the upper part of a check stub when you fill it out?

   a. the amount the check was for

   b. the person it was to (also, the date, check number, reason for writing the check, etc.)

4. If you see a check with VOID written across it, what has happened? (check one)

   ___ a. the writer of the check is out of money

   ✓ b. the writer of the check made a mistake

   ___ c. the writer of the check is empty-headed.

5. Complete this sentence:

   When you balance a checkbook, you *add* the amounts of the money you have deposited, and *subtract* the amounts of the checks you have written, so you will know how much money you have.

6. Do you have to make a deposit every time you write a check? *No*

7. What do you have to do every time you cash or deposit a check some one else gives you? *endorse it (write your name on the back*

8. Suppose your old balance is $129.74. You deposit $50.00 and write a check for $24.25. What is your new balance? *$155.49*

9. Complete the following sentences:

   a. If you want to work in a bank, you should be good at *arithmetic/math*.

   b. The *teller* is the person who takes your money when you want to put it into your account, and cashes your check when you take money out.

   c. The people who sort help sort things, keep records, and put together information are the *clerks*.

   d. To get better jobs in the bank, you should go to college and study *business*.

Activity 4. Balancing A Budget

GOAL: To help students understand the importance and the process of using a budget to keep track of and plan wise use of money

OBJECTIVE: Students will balance a simulated budget.

WHAT STUDENTS WILL BE ASKED TO DO

- Read instructions for balancing a budget
- Prepare a simulated budget from given information
- Compare a projected budget with a review budget
- Discuss ways to balance a budget when there is not enough income to cover all expenses
- Review what they learned in the Activity

MATERIALS NEEDED

- *For Exercise 2, 3, 4 and 5:* pencils and paper
- Duplicated pages as indicated in exercise instructions

PROCEDURE

Ask students if anyone knows what a *budget* is. If students are not familiar with this term, explain that a budget is another way of keeping a record of, or keeping track of, money. It can be used to keep track of all one's income and expenses, not just checks. One can keep a budget detailing money already spent, but a budget is most often used to help one plan how one will spend money so that one does not exceed one's income. Often the "plan" form is later compared with what actually happened to help one see whether one stuck to one's plan, where problems arose, and how income might be managed better in future.

Ask students if they have ever made a budget or if their families keep a budget. If anyone's family does keep a budget which the student has seen, ask what sort of things are usually written down in the budget--i.e. income, bills, predicted amounts for expenses such as groceries, etc. (Students need not, of course, name the actual amounts involved or the exact items their family uses.)

You might also want to ask students whether they think family budgeting is a good idea. Have them discuss their reasons for feeling that it is or is not. Bring out the idea that people may not always be able to control how much money they get, but if they can plan and control what they do with the money they have, this is an important step toward controlling their own lives. It can help to solve or, better still, avoid such problems as being perennially in debt because one owes more than one has the income to pay.

Conclude by summarizing any of the points made below which have not been covered in the discussion.

> A *budget* is a record you make of the money you expect to spend and the money you have or expect to get during a given period of time (say, a month). When you *balance a budget*, you add up all the expenses you have. Then you subtract them from the money you have or expect to get. You try to make sure that the expenses don't add up to a greater amount than the money you expect to bring in.
>
> Balancing a budget is a lot like balancing a checkbook. Both involve adding money you bring in (*income*) and subtracting money you spend. There are some differences, though. Usually you add and subtract all the items on a budget at once, ubt you do your checks one at a time. And a budget can include cash as well as checks.
>
> The most important difference between a budget and a checkbook is that a budget is a plan. When you balance a checkbook, you are talking about something that has already happened. You have already written the checks. But when you make out a budget, you are talking about what you *expect* to happen. You are trying to plan ahead so that you can see trouble (such as writing checks for a greater amount that you have in your bank account or ending up with something you need badly and no way to buy it) *before* it happens.

Exercise 1. The Budget

The purpose of this exercise is to give students an idea of what kinds of things have to be paid for to keep a family going, and the relationship between these expenses and family income.

Reproduce pp. 81-82 in this book, and distribute them to students. Go over the questions with the students to make sure they understand what they have to do. Sample answers for this exercise appear on pp. 83-84 . When students have finished the exercise, read or distribute these answers so that students can check their work.

Afterward, discuss the exercise. Ask whether students think that working out a planned budget like this would be useful for a family, and why. For instance, would it be better to find out there was not going to be enough money to cover expected expenses beforehand, or when the bills arrived? Remind students of the discussion of basic needs at the beginning of this unit, and ask them which need each item on this budget is intended to meet.

An alternative way of treating this material would be to have students read the exercise with the correct answers supplied, and work out a budget for their own weekly expenses. Now, instead of at the end of the activity, such a budget might include transportation, books and school supplies, food, entertainment, etc.

EXERCISE 1. THE BUDGET

You are the head of a family of four. You are employed, and you are also the one in the family who handles the money. Can you plan ahead to make sure that your salary will cover all the family bills? At the beginning of the month you sit down to make out the budget.

1. Weekly expenses (money spent each week) average:

Purpose	Amount
groceries	$ 44.00
gasoline	10.00
miscellaneous	6.00
savings*	20.00
=total money needed for one week	______
	X4
=Expense money needed for one month	$______

*Your family is saving for a down payment on a house of your own.

2. Monthly expenses (bills which come in once a month) average:

Purpose	Amount	
rent	$ 220.00	
heat and light	25.00	(higher in winter)
water	15.00	(higher in summer)
car payment	50.00	
refrigerator payment	32.00	
medical/dental bills	50.00	
= total needed for month	$______	

3. Total money you expect to spend this month:

total weekly expenses (carry total from #1) $______

total monthly expenses (carry total from #2) +______

=total money needed $______

4. Your salary is $199.06 a week. If there are four weeks in this month, how much will you make?

$199.06

X 4

______

5. If you put down what you expect to make-- $______

and you take away what you expect to spend-- -______

You will have this much left $______

So you should do pretty well....

Exercise 1. The Budget

You are the head of a family of four. You are employed, and you are also the one in the family who handles the money. Can you plan ahead to make sure that your salary will cover all the family bills? At the beginning of the month you sit down to make out the budget.

1. Weekly expenses (money spent each week)

Purpose	*Amount*
groceries	*$ 44.00*
gasoline	*10.00*
miscellaneous	*6.00*
*savings**	*20.00*
= total money needed for one week	80.00
	X 4
= expense money needed for one month	320.00

**Your family is saving for a down payment on a house of your own.*

2. *Monthly expenses (bills which come in once a month) are:*

Purpose	*Amount*
rent	*$ 220.00*
heat and light	*25.00 (higher in winter)*
water	*15.00 (higher in winter)*
car payment	*50.00*
refrigerator payment	*32.00*
medical/dental bills	*50.00*
= total needed for month	*$392.00*

3. *Total money you expect to spend this month:*

total weekly expenses (carry total from #1 $ 320.00

total monthly expenses (carry total from #2 + 392.00

= total money needed $ 712.00

4. *Your salary is $199.06 a week. If there are four weeks in this month, how much will you make?*

$ 199.06

X 4

$ 796.24

5. *If you put down what you expect to make* 796.24

and take away what you expect to spend – 712.00

You will have this much left $ 84.24

So you should do pretty well. . .

Exercise 2. Paying the Bills

Reproduce and give to students the exercise on pp. 86-87 . In this exercise, students will deal again with the family budget they planned in Exercise 1. Now, however, it is the end of the month, and students will see what happens when they actually pay the bills. Go over the instructions with students to make sure they understand what they are to do. Provide extra scratth paper for students to do calculations on.

Sample answers appear on pp. 88-90 . Read them, and if necessary, go over the steps which produced them, to make sure that students understood the procedure involved.

Afterwards, discuss and compare these answers with the results of the budgeting exercise. How was the "reality" different from the plan? Can they learn anything from this difference which might help this family to plan better next time?

In discussion, you might point out that sometimes a gap between expected and actual expenses is not the budgeter's fault. Actual prices can rise due to inflation, shortages, the time of year, etc., and throw the best calculations off.

EXERCISE 2. PAYING THE BILLS

It is nearly now the end of the month, and you are sitting down to pay all the bills that have come in since the beginning of the month. You have received all your paychecks for this month (4), but you have not spent any money for this week yet.

1. You look at your checkbook which shows the following checks:

To	Amount	For
Sam's Grocery Store	$ 10.00	checks cashed at store to cover food, gas, and misc.
	60.00	
	75.00	
	70.00	
Self-Savings Account	40.00	
	20.00	
How much have you spent?	$_____	

2. Now you take a look at your bills. This is what you have:

From	Amount	For
Mrs. Ada Farmer, landlady	$ 220.00	rent
Canyon Gas and Electric co.	32.06	heat and light
Municipal Water Division	24.54	(2 month bill, you forgot last month)
Golden Valley Bank	51.80	car payment
Hamlin Department Store	20.00	refrigerator payment
S. W. Wolfe, D.D.S.*	36.00	teeth cleaned, X-ray
V. L. Hawk, M.D.	25.00	office visit and medicine for youngest child's ear infection.
How much do you owe?	$_____	

3. You haven't spent any money yet this week, although you have deposited your paycheck. If you follow your budget and spend $80.00 this week, how much will this week's expenses plus your bills be?

bills $______

week + 80.00

money needed ______

*If necessary, you can pay the dentist and doctor in installments ($10.00 or so at a time) as long as you pay the total within a month or so.

4. Since you have deposited all your salary in the bank, you have put in a total of $796.24. But the checks you have already written (carry total from #1.) total ______

the monthly service charge from the bank is (the bank takes this out automatically) + 2.50

and the amount you were overdrawn last month is 15.00

so a total of ______ is gone.

From the amount that you put in $796.24

Take away what has been spent ______

Leaving a balance of $______

5. You have (carry total from #4) ______

Your bills and money for this week (carry total from #3) are -______

How much do you have left? $______

That's not very much, is it?

Exercise 2. Paying the Bills

It is now nearly the end of the month, and you are sitting down to pay all the bills that have come in since the beginning of the month. You have received all your paychecks for this month (4), but you have not spent any money for this week yet.

1. *You look at your checkbook which shows the following checks:*

To	*Amount*	*For*
Sam's Grocery Store	*$ 10.00*	*checks cashed*
	60.00	*at store*
	75.00	*to cover food,*
	70.00	*gas, and misc.*
Self-Savings Account	*40.00*	
	20.00	
How much have you spent?	$ 275.00	

2. *Now you take a look at your bills. This is what you have:*

From	*Amount*	*For*
Mrs. Ada Farmer, landlady	*$ 220.00*	*rent*
Canyon Gas and Electric Co.	*32.06*	*heat and light*
Municipal Water Division	*24.54*	*(2-month bill, you forgot last month)*
Golden Valley Bank	*51.80*	*car payment*
Hamlin Department Store	*20.00*	*refrigerator payment*
*S. W. Wolfe, D.D.S.**	*36.00*	*teeth cleaned, X-ray*
*V. L. Hawk, M.D.**	*25.00*	*office visit and medicine for youngest child's ear infection*
How much do you owe?	*$* 409.40	

3. *You haven't spent any money yet this week, although you have deposited your paycheck. If you follow your budget and spend $80.00 this week, how much will this week's expenses plus your bills be?*

bills $ 409.40

+

week *80.00*

Money needed *$* 489.40

**If necessary, you can pay the dentist and doctor in installments ($10.00 or so at a time) as long as you pay the total within a month or so.*

4. *Since you have deposited all your salary in the bank, you have put in a total of $796.24. But the checks you have already written*

(carry total from #1) total	$ 275.00	
the monthly service charge from the bank is	+ 2.50	
(the bank takes this out automatically)		
and the amount you were overdrawn last month is	+ 15.00	
so a total of	$ 292.50	*is gone.*
From the amount that you put in	$ 796.24	
Take away what has been spent	− 292.50	
Leaving a balance of	$ 503.74	

5.

You have (carry total from #4)	$ 503.74
Your bills and money for this week (carry total from #3) are	− 489.40
How much do you have left?	$ 14.34

That's not very much, is it?

Exercise 3. Making Ends Meet

In this exercise, students will be asked to consider what one might do when there is *not* enough money to meet all their expenses. Can they get more money somehow? Or must they simply not pay some bills? If so, which bills are most important to pay, and which ones could wait a while?

Reproduce and give students pp. 92-93 , and have them read the instructions for the exercise there. Go over the instructions to make sure students understand what they are to do, and be sure they have pencil and paper for the exercise.

Sample answers for this exercise appear on pages 94-95 of this Teacher's Guide. When students have finished this exercise, discuss their answers with them. Why did some bills seem more important than others? Did everyone agree on which expenses were the most important and ought to be paid first? If not, have disagreeing students explain the reasons for their choices and discuss them with the class. Were any students able to think of ways of getting more money? If so, discuss these also. Which are most valid or most likely to succeed?

You might also wish to ask students how they feel about family budgets now. Ask if their thinking about family budget has changed now that they know more about them. You can make this question a short writing assignment (about 100 words) if you wish.

EXERCISE 3. MAKING ENDS MEET

You have totaled up all your bills and the money you have available, and you have enough...barely. But what if an emergency comes up? For instance, as you are paying your bills, you get a call from your cousin, who says that she and her family are coming to visit you in a few days. You know that you will want to take them out to dinner, or at least put on a good dinner for them at home, and that will take more money than your grocery allowance for this week. Also you have noticed a funny rattle in the motor of your car lately. Will it ruin the engine if it isn't fixed soon? How much will that cost?

You will need at least $30.00 to feed your relatives.

Car repairs will probably cost at least $50.00 if you do them now, maybe more, if you do them later.

What can you do?

1. Go back over the information in Exercises 1 and 2, and see if you can find two ways of changing what you pay out so that you will have more money left, and still pay your bills.

   a. ____

   b. ____

2. What do you think will happen if you don't pay your monthly bills on time?

3. Number the following in the order of their importance to you--What would you spend money on first?

   a. repairing the car ______
   b. buying good food for your family ______
   c. paying the doctor all you owe him ______
   d. paying the dentist all you own him ______
   e. putting on a good meal for your relatives ______
   f. saving money to buy a house ______

4. Which did you put first? Why?

   Which did you put last? Why?

Exercise 4. Making Ends Meet

You have totaled up all your bills and the money you have available, and you have enough...barely. But what if an emergency comes up? For instance, as you are paying your bills, you get a call from your cousin, who says that she and her family are coming to visit you in a few days. You know that you will want to take them out to dinner, or at least put on a good dinner for them at home, and that will take more money than your grocery allowance for this week. Also, you have noticed a funny rattle in the motor of your car lately. Will it ruin the engine if it isn't fixed soon? How much will that cost?

You will need at least $30.00 to feed your relatives.

Car repairs will probably cost at least $50.00 if you do them now, maybe more, if you do them later.

What can you do?

1. *Go back over the information in Exercises 1 and 3, and see if you can find two ways of changing what you pay out so that you will have more money left, and still pay your bills.*

   a. Don't put money in the savings account this week.

   b. Take money out of the savings account.

   Also: Buy cheaper food for the family this week.
   Pay doctor and dentist only $10.00 each.
   Don't use the car this week so it won't get worse.

2. *What do you think will happen if you don't pay your monthly bills on time?* You will get a bad reputation in the community and no one will give you credit. They may set a collection agency on you. They may re-possess things you have bought.

3. *Number the following in the order of their importance to you. What would you spend money on first?*

   a. *repairing the car* ____
   b. *buying good food for your family* ____
   c. *paying the doctor all you owe him* ____
   d. *paying the dentist all you owe him* ____
   e. *putting on a good meal for your relatives* ____
   f. *saving money to buy a house* ____

   These answers depend on what you consider most important.

4. *Which did you put first? Why?*
   Which did you put last? Why?

   Everyone will have different answers to questions 3 and 4. What you put first and last depends on your values...what things matter most to you.

Exercise 4. Review

When students have finished working with and discussing the simulated family budgets, give them a few minutes to look over the material on the introduction page and the worksheets again, then give students the questions on p. 97 In this exercise, students will be asked to answer some questions concerning what they have learned about balancing a family budget. Make sure students understand what they are to do and that they have pencils and paper for this exercise.

Sample answers are provided on p. 98. Remind students that their answers are correct as long as they express the same *idea* as the sample answers; they do not need to use the same words.

When students have finished the review exercise and checked their work, discuss the answers with them to be sure they understand the concepts introduced in this Activity.

Additional Activities

Ask if any students get a weekly or monthly income or allowance from their parents or from work they do in the neighborhood, etc. If any do, and they are willing to do so, have them name the amount of the allowance or income. Write the figures on the board as students name them. Then add them together and divide to get an "average allowance."

Now ask students to make a budget of their own for the month to come, using as income either the amount they actually get or (if they have no allowance of their own) the "average allowance" figure on the board. Tell them to write down whatever expenses they think they are going to have. Have them work out a budget on paper, using the general forms given in the Budget Worksheets. If they come out with money left over, have them write what they are going to do with it.

If too few students get any kind of allowance or extra income to make the above procedure feasible, the same exercise can be done with family income. In this case, of course, the pattern of the Worksheets will be followed fairly exactly. Again, an "average income" for use of students who have no idea what their family's income is, can be worked out by averaging some income figures given by students who do know and are willing to tell their parents' approximate monthly income.

Additional resources are listed on page 135.

EXERCISE 4. REVIEW

1. What is a budget? ____

____

2. Fill in the blanks: When you balance a budget, you__________ the amounts of all the bills you expect to pay, and _____________ that total from the amount of money you expect to earn.

3. What is one way balancing a budget and balancing a check book are alike?

____

What is one way in which they are different?

____

____

4. What are two things you might do if there is not enough income to cover all expenses?

a.

b.

5. Draw lines to connect the basic needs listed below with the bills you pay to meet them:

a. housing .
b. food .
c. health care .
d. entertainment .
e. communication .
f. government .
g. clothing .
h. transportation .

. $39.98 for winter coat
. $76.00 (yearly) income tax
. $200.00 for one month's rent
. $35.00 to oil company for gasoline
. $15.00 to Dr. Payne for checkup
. $53.15 to Valley Grocery
. $12.00 for 3 months of Valley News
. $48.00 to repair TV

EXERCISE 4. REVIEW

1. What is a budget? *a budget is a list of the money you expect to spend and the money you expect to get during a certain time.*

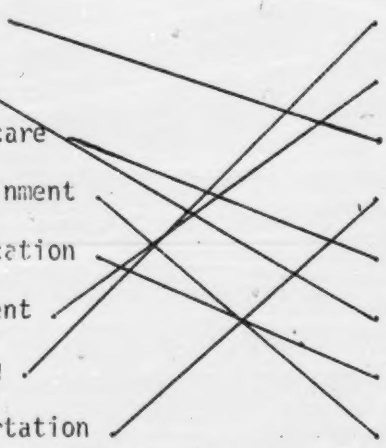
2. Fill in the blanks: When you balance a budget, you *add* the amounts of all the bills you expect to pay, and *subtract* that total from the amount of money you expect to earn.

3. What is one way balancing a budget and balancing a check book are alike?
In both you subtract expenses from income.
What is one way in which they are different?
You do a budget ahead of time. You do a budget all at one, but checks one by one. A budget can include cash too.

4. What are two things you might do if there is not enough income to cover all expenses?
   a. *pay part of the money this time, part next.*
   b. *borrow money.*

5. Draw lines to connect the basic needs listed below with the bills you pay to meet them:

   a. housing
   b. food
   c. health care
   d. entertainment
   e. communication
   f. government
   g. clothing
   h. transportation



$39.98 for winter coat
$76.00 (yearly) income tax
$200.00 for one month's rent
$35.00 to oil company for gasoline
$15.00 to Dr. Payne for checkup
$53.15 to Valley Grocery
$12.00 for 3 months of Valley News
$48.00 to repair TV

Activity 5. The Small Business

GOAL: To help students understand how money is used in business.

OBJECTIVE: Students will learn about shares and stock, how a loan company operates, and some careers which involve handling money.

WHAT STUDENTS WILL BE ASKED TO DO

- Read instructions concerning a "game" about a fictional small business
- Make an initial set-up and subsequent manipulations, according to instructions, of markers representing assets in the business
- Draw conclusions concerning the location and value of the assets after the manipulations have been completed.
- Read over instructions and examine blank Loan Officer's Worksheets
- Fill out Worksheets for each of four fictional loan applicants, using data provided
- Decide, on the basis of the filled-in data and calculations made from it, whether each applicant qualifies for a loan
- Read about money-handling careers
- Review what they have learned in this Activity

MATERIALS NEEDED

For Exercise 1:

- scissors
- optional: 1 sheet cardboard or construction paper per student; glue
- Duplicated sheets from this book as indicated in exercise instructions

PROCEDURE

Remind students that one of the ways of using money you talked about in Activity 2 was buying a sewing machine or a power mower in order to start a small business. Review with them for a few minutes the discussion about small businesses which you had at that time. Ask, "When did we say it might be a good idea to start a small business? When might it *not* be a good idea? What are some of the questions you should ask yourself before you decide to start a small business?"

Tell students that in this Activity they will have a chance to find out some of the things that can happen when somebody does start a small business. In particular, they will see how money and other resources can change hands in a company and how this can affect the value of a company's stock.

Remind students that you discussed buying stock as a way of using money in Activity 1, too. Ask them what they remember about that discussion. (See page 30 of the Teacher's Guide.) Tell them that stock represents divisions or shares of all that a company is worth (its wealth)--money, orders, equipment, property, everything. The total value of all these things determines the value of the stock. In this Activity, students will play a game (actually, since they will work alone, it's more like solving a puzzle) in which they follow instructions to make certain "moves" on a gameboard and then answer questions about what these moves have done to the value of a fictional company's stock. Students will pretend to be an investing partner in an imaginary small business, the Indian Crafts Company.

Exercise 1. The Indian Crafts Company

Before you begin this exercise, duplicate page 102 of the Teacher's Guide so that each student can have a copy of the markers for the game. If duplication is impossible, bring paper for students to copy the markers onto. You will also need scissors, and, if desired, paste and one piece of cardboard or heavy construction paper per student.

Read or summarize the following:

> In Activity 2, when you read about some ways of using money, you looked at some reasons why it might or might not be a good idea to start a small business. In this Activity, you will play a game which will give you an idea of some things that can happen to money and other resources when people do decide to start a small business.
>
> You will play this game on a Gamesheet. There is nothing to "win" in this game, except to see whether you can follow all the directions correctly and in order and then to try to figure out where everything should be at the end.
>
> I will give you a sheet with some markers for the game printed on it (tell you how to make markers by pasting). The marker sheet onto a sheet of construction paper or cardboard, and cutting out the markers with scissors.
>
> When your markers are ready, I will give you an instruction page. Follow the instructions for placing the markers at the beginning of the game.

Now pass out the scissors and the duplicated marker sheets. If duplication is impossible, draw the markers on the board and have students copy them onto pieces of paper. Instruct the students to cut the markers out of the paper. If desired, you can also pass out paste and a sheet of heavy construction paper or cardboard for each student. Have students paste the marker sheet onto the heavy paper before cutting the markers out.

When students have finished cutting out their markers, reproduce and pass out pp. 103-105 . Tell them that the instructions on this page will show them where to place their markers for the beginning of the game. You might want to read the instructions to the students, or paraphrase them, to be sure that students understand how to place their markers for the beginning of the game. Have each student work separately and place his or her own markers on his or her Gamesheet.

When students have placed their markers on the Gamesheet according to these instructions, tell them they are ready to play the game. Remind them that this is not the sort of game in which they try to "beat" someone else. They are simply going to see how well they can follow directions and solve a problem. Tell them to read the instructions on the first page, and follow the instructions by moving the markers as directed. When they have finished, they are to wait quietly until the class is ready to go on. If necessary, read the instructions on this page to the students.

$25 ORDER	1 SHARE
$40 MACHINE	1 SHARE
$10 MACHINE	1 SHARE
	1 SHARE

$5	$5	$5	$5
$5	$5	$5	$5

CUT OUT THESE
MARKERS

EXERCISE 1. THE INDIAN CRAFTS COMPANY

Here are the facts you need to know to place your markers at the beginning of the game:

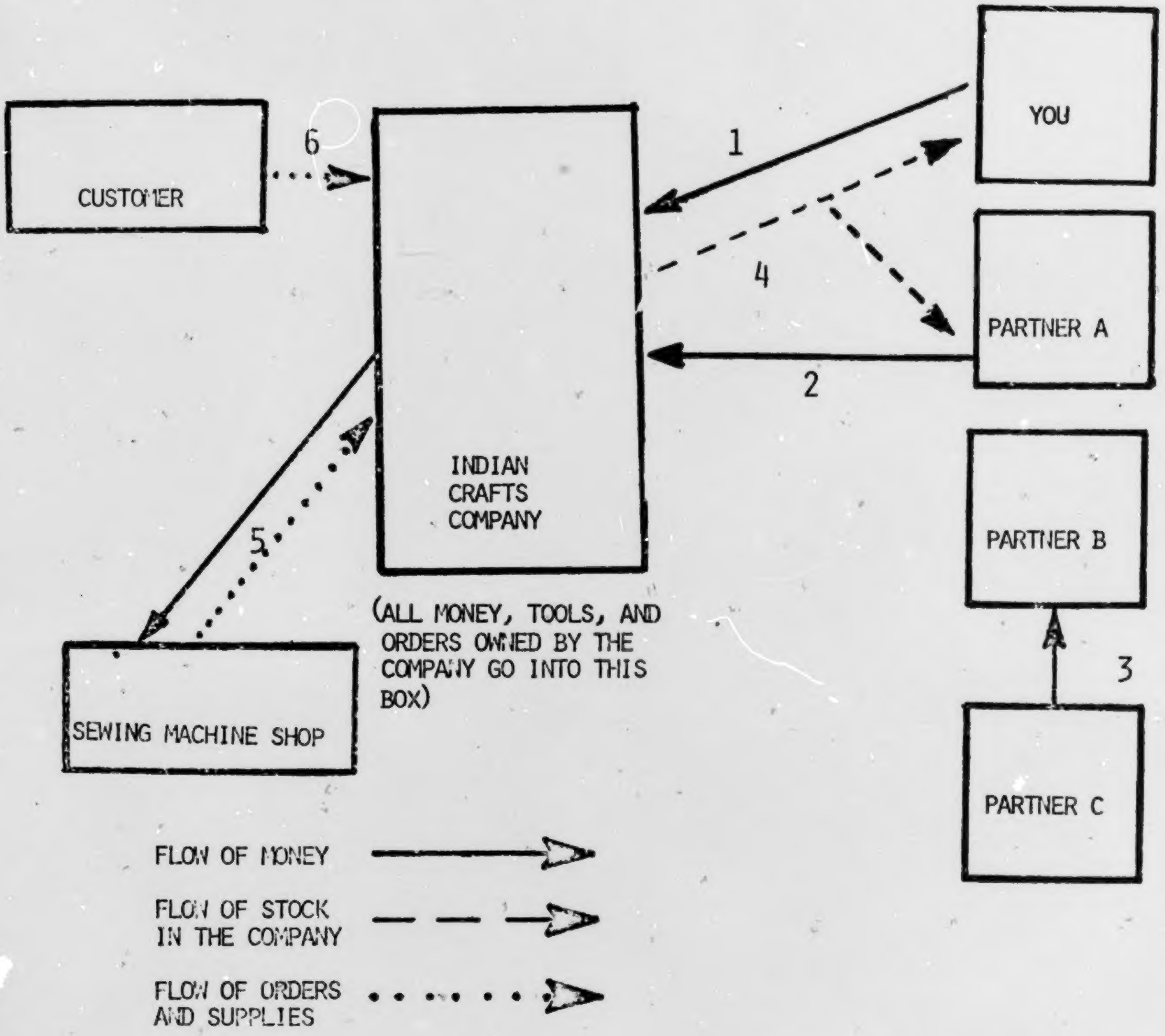
1. You and three of your friends have agreed to start an Indian Crafts Company. At least to begin with, your crafts will be different kinds of sewing. To make sure that everything is divided fairly, you split the company into four equal shares. *Place all four markers labelled "1 share" in the box labelled "Indian Crafts Company" on the Gamesheet.*
2. You know a person who may place a $25 order with your company to help you get started. *Place the marker labelled "$25 order" in the box labelled "Customer" on the Gamesheet.*
3. You and your friends each have $10. *Put two $5 markers in each of the "partner" boxes on the Gamesheet, including the one labelled "You."*
4. You know a sewing machine shop where you can get a new sewing machine for $40 or a used sewing maching for $10. *Put the markers labelled "$40 machine" and "$10 machine" in the box labelled "Sewing Machine Shop" on the Gamesheet.*

This is how the money and other possible resources of your company are distributed when you start your business. Now see what can happen to that money and those resources when your business gets rolling. Turn to the next page and follow the instructions there.

Now move your markers to show these things happening:

1. *YOU put $10 into the company*
2. *PARTNER A puts $10 into the company.*
3. *PARTNER B and PARTNER C decide not to join the company. PARTNER C hands over his $10 to B to settle an old debt.*
4. *YOU and A take 2 shares of stock each. The shares are worth $5 each, because there is $20 in the company.*
5. *YOU and A buy the $10 sewing machine, using part of the money you put into the company. The sewing machine now belongs to the company.*
6. *The customer places his $25 order. The order now belongs to the company.*

The arrows on the Gamesheet will give you some clues about how to move your markers for each step.


CUSTOMER
6
INDIAN
CRAFTS
COMPANY
1
4
2
YOU
PARTNER A
PARTNER B
3
PARTNER C
5
SEWING MACHINE SHOP
FLOW OF MONEY
FLOW OF STOCK
IN THE COMPANY
FLOW OF ORDERS
AND SUPPLIES

(ALL MONEY, TOOLS, AND ORDERS OWNED BY THE COMPANY GO INTO THIS BOX)

Exercise 2. How Did the Company Do?

Tell students to keep their markers in place on the Gamesheet, just as they were at the end of the game. Explain that they will now answer some questions which will tell them how well they followed instructions and solved the puzzle. Pass out paper and tell students to write down which marker or markers, if any, are in *each* box on the Gamesheet. Give them a few minutes to do this.

Now hand out, write on the board, or read each question on p. 107. Tell them to read the questions on this page and answer them, using the notes they made about where the markers were at the end of the game. (You will probably wish to pass out a second piece of paper for the actual answering of the questions.) If necessary, read the instructions and questions to students to make sure they understand them.

When students have finished, give them the sample answers on p. 108 so they can check their work.

When students have finished the exercise and checked their work, go over the answers with them in class. If necessary, draw the Gamesheet on the board and illustrate the movement of the markers a step at a time (that is, following the instructions on page 104). Have students follow by moving their own markers on their own Gamesheets. Discuss until everyone sees how the markers moved and where they came out. Make sure students understand how shares of the *stock* of the company (which represented all the company's wealth) went up in value as the company gained in total worth. (Point out that, of course, stock can go down in value by this process too--for instance, if expensive repairs had to be made on the sewing machine, or materials had to be bought, and new orders did not come in, the stock in the Indian Crafts Company might go down.)

Write on the blackboard--"How will the Indian Crafts Company make money? How will it spend money?"

Students should be able to answer that it will make money by making things on its sewing machine, and that it has spent money to buy the machine. Ask them if there are any other expenses that the company will have.

For instance: If the company gets too big to operate out of the owner's home, where will it move? Will it have to pay rent?

If they need more people to work there, will they have to pay them?

Where will it get cloth, thread, etc., and how much will they cost?

Point out that a company, like an individual, has many expenses. Ask students if they think that a budget would be a good idea for the Indian Crafts company. If time allows, you may ask students to prepare such a budget.

EXERCISE 2. HOW DID THE COMPANY DO?

Read the questions below. Then copy them onto a separate piece of paper and write the answer to each question.

1. Where are all the markers at the end of the game (after you have followed the instructions ?
   - a. What markers, if any, are in the *Customer* box?
   - b. What markers, if any, are in the *Sewing Machine Shop* box?
   - c. What markers, if any, are in the *Indian Crafts Company* box?
   - d. What markers, if any, are in the *You* box?
   - e. What markers, if any, are in the *Partner A* box?
   - f. What markers, if any, are in the *Partner B* box?
   - g. What markers, if any, are in the *Partner C* box?
2. How much is the company worth? (Count cash, property and orders in the company.)
3. Everything that the company owns is still divided into four shares of stock. How much is each share of stock worth?
4. If Partner B decides to join after all and wants to buy your two shares, what is a fair price to charge him.
5. If you quit the company and sell you two shares to B at that price, how much have you gained (+) or lost (-) since the game started?

EXERCISE 2. HOW DID THE COMPANY DO?

1. Where are all the markers at the end of the game (after you have followed the instructions:

   a. What markers, if any, are in the *Customer* box? *None.*

   b. What markers, if any, are in the *Sewing Machine Shop* box? *$40 machine.*

   c. What markers, if any, are in the *Indian Crafts Company* box? *$25 order, $10 machine, two $5 markers.*

   d. What markers, if any, are in the *You* box? *Two share markers.*

   e. What markers, if any, are in the *Partner A* box? *Two share markers.*

   f. What markers, if any, are in the *Partner B* box? *Four $5 markers.*

   g. What markers, if any, are in the *Partner C* box? *None.*

2. How much is the company worth? *$45.*

3. Everything that the company owns is still divided into four shares of stock. How much is each share worth? *$11.25*

4. If Partner B decides to join after all, and wants to buy your two shares, what is a fair price to charge him? *$22.50.*

5. If you quit the company and sell your two shares to B at that price, how much have you gained (+) or lost (-) since the game started? *You have gained $12.50.*

Exercise 3. Borrowing Money

Ask students if they know what a loan is. Explain that very often, a person who wants to start a new business does not have money enough to buy all the equipment and materials he or she needs, and so gets a loan from a bank. However people borrow money for other reasons too.

Ask if students know anyone who has borrowed money. If they do, ask what that person wanted the money for, and why he/she decided to borrow the money rather than wait and save it up to buy the item. Then ask if the students know anything about the procedure a person must go through in order to get a loan--what questions must be answered, what kinds of papers must be filled out, etc. Tell them that in this Activity they will have a chance to learn more about getting a loan and about how loan companies operate.

Begin by discussing loans and loan companies more fully. Ask, "Should a person ever borrow money to buy something? When might this be a good idea? When might it not be a good idea?"

Point out that loan companies are businesses, like many others. What they sell is "instant money." In their business they compete with other companies, and they try to make a profit. (Be sure students understand what "compete" and "profit" mean). They make a profit by charging *interest* on loans. The borrower must pay a certain amount of interest to the company in addition to paying back the money he or she borrowed. (Often there is a service charge, too.)

Remind students that they talked about interest in Activity 2, when they discussed savings accounts. Ask, "Do you remember what interest was? Who is paid interest on a savings account? Who pays the interest?" Point out that in a savings account, the bank or savings-and-loan pays interest to the depositor. This is because the depositor is, in effect, loaning his or her money to the bank. The bank will pay him or her for doing so. But the bank or savings-and-loan can still make a profit because the percentage of interest on a loan is always higher (often much higher) than the percentage of interest on a savings account.

Point out that interest rates on loans can be quite high. But explain that some people are perfectly willing to pay the interest rates if they can gain the *use* of something right away. For instance, when someone "buys" a house, it is practically unheard of for payment to be made in cash. Instead, the home "buyer" takes out a loan (mortgage) from a lending agency, usually a bank or a savings-and-loan company, and proceeds to pay off the loan over a period of many years (up to 30). Point out to the class that when someone buys a house, he may end up after 30 years paying $50,000 for a $25,000 house. But explain that people are still willing to do this because:

- They don't have the $25,000 in cash to buy the house in the first place
- They have the immediate *use* of the house after they qualify for the loan and move in
- The monthly loan payments are usually reasonable. They are within the ability of the home buyer to pay them without straining his budget.

Point out that loan companies are regulated in the way they do business. Until recently, people often took out loans without understanding how much they were paying for them. Laws were passed that require the loan company to state in writing the exact terms of the loan. This protects the borrower at the time he takes out the loan.

People who make loans have also been stopped from charging unfairly high amounts of interest. (People who charged unfair amounts of interest were often called "loan sharks." Ask students if they know what a *shark* is. If not, describe one. Then ask, "Why do you think people who charged unfair amounts of interest came to be called loan sharks? Why might this be a fitting name for such people?"

Now point out that loan companies, since they are in business to make a profit, want to be very careful about the way they loan out their money. A loan company wants to be sure that a borrower can pay back not only the money he or she has borrowed, but the interest (which includes the company's profit) as well. If a company loans money to someone who cannot or will not pay it back, it will lose the money it has lent. Loan companies therefore investigate a loan applicant's background very carefully.

Ask the class to name some of the things a loan company might want to know about a loan applicant's background. (Ask what would *they* want to know if they worked for a loan company.) Encourage the students to think in such practical terms as:

Does the applicant have a job?
How much does the applicant earn and how does that amount compare to the amount he wishes to borrow?

Obviously, the loan company will not loan a million dollars to someone who is earning eighty dollars a week. However, it might lend a million dollars to the owner of a company that does a half million dollars worth of business every year. Other practical questions are:

What are the loan applicant's spending habits?
Is he spending more than he earns?

At this point you might want to discuss with students whether they think that someone from a loan company asking questions about a person's habits and the way he or she spends money is being too personal or invading the applicant's privacy.

Exercise 4. Who Gets a Loan?

Before you begin this exercise, duplicate copies of the two-page Loan Officer's Worksheet (pages 112 and 113 of the Teacher's Guide) so that each student can have four two-page sets. Also duplicate copies of the Applicants' Data Sheets (page 114 of this Teacher's Guide) so that each student can have a set of four (one page). Cut the Data Sheet page apart so that the four Data Sheets can be handed out separately.

When you are ready to begin the exercise, read the material below to them.

> In this exercise, you will pretend you are a Loan Officer for the Mouse Trap Loan Company. This will give you a chance to find out what kind of information loan companies ask for, and what they do with it, before they decide who can have a loan.
>
> You will be given four blank copies of a Loan Officer's Worksheet. Then you will be given sheets that tell information about four imaginary people who are applying for loans. Fill out both pages of the Loan Officer's Worksheet for each of the four people. The instructions are given on the Worksheet.
>
> When you have finished filling out the Worksheet for an applicant, decide whether that person *qualifies* for the loan he or she has asked for (that is, whether the person should get the loan). Write your decision at the end of the worksheet.

Pass out the blank Loan Officer's Worksheets. Tell them they will be working with these sheets during the Activity. Give them a few minutes to look over the Worksheets on their own, then go over both pages of the Worksheet with them, step by step, to make sure they understand what they are to do with each one. You may wish to make up an example with the data which can be followed through all of the steps. (Do not use any of the examples on the Data Worksheets). If you do this, write figures on the board as you go along. Encourage students to do the figuring on the example themselves and suggest the answers to you.

Tell students that you will give them pieces of paper that tell information about different imaginary people. They will use that information and the Worksheets to decide whether each of the imaginary people qualifies for a loan. Remind them that the company will grant a loan only to those people who can afford to pay back not only the loan, but the interest and the service charge as well.

Don't cut apart the applicants' data sheet (4 are on one page), but give out all at one time. Students could number off, 1-2-3-4, and each start with the data sheet with their number on it. For example:

1. Joe Little
2. Jean Redcloud
3. Jim Big Crow
4. Susie Smallfish

LOAN OFFICER'S WORKSHEET

1. WRITE LOAN APPLICANT'S NAME HERE: ______________________________

2. FIND MONTHLY AMOUNT AVAILABLE FOR LOAN.

MONTHLY AMOUNT AVAILABLE FOR LOAN = APPLICANT'S MONTHLY INCOME "MINUS"
APPLICANT'S MONTHLY EXPENSES

APPLICANT'S MONTHLY INCOME $
- APPLICANT'S MONTHLY EXPENSES $__________
$ MONTHLY AMOUNT AVAILABLE FOR A LOAN

3. WRITE COST OF ITEM FOR WHICH APPLICANT WISHES LOAN: $ __________

4. CALCULATE TOTAL COST OF LOAN.

TOTAL COST OF LOAN = COST OF ITEM + 20% (X) COST OF ITEM + SERVICE CHARGE

* COST OF ITEM + 20% (X) COST OF ITEM:

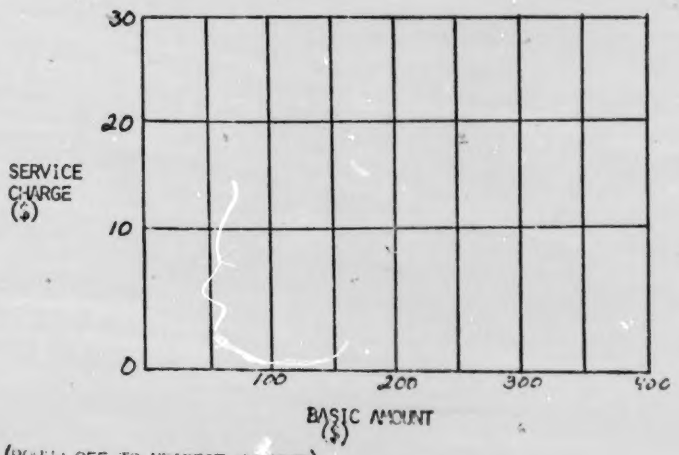
COST OF ITEM $
+20% (X) COST OF ITEM $__________ BASIC AMOUNT

NOTE: $20\% = \frac{1}{5}$ $20\% = .2$

- -

*SERVICE CHARGE

(USE THIS CURVE TO FIND SERVICE CHARGE)



(ROUND OFF TO NEAREST HUNDRED)

ADD BASIC AMOUNT AND SERVICE CHARGE.

BASIC AMOUNT	$
+ SERVICE CHARGE	$__________
	$ TOTAL COST OF LOAN

5. FIND MONTHLY LOAN PAYMENTS FOR 1-YEAR PERIOD (12 MONTHS).

MONTHLY PAYMENT FOR LOAN

TOTAL COST OF LOAN

6. COMPARE LOAN APPLICANT'S MONTHLY AMOUNT AVAILABLE FOR LOAN WITH MONTHLY PAYMENT FOR LOAN.

LOAN APPLICANT'S MONTHLY AMOUNT AVAILABLE FOR LOAN: $__________
(SEE ITEM 2.)

MONTHLY PAYMENT FOR LOAN: $__________
(SEE ITEM 5.)

NOTE: LOAN APPLICANT'S MONTHLY AMOUNT AVAILABLE FOR LOAN MUST BE EQUAL TO, OR GREATER THAN, THE MONTHLY PAYMENT FOR LOAN.

7. DECIDE WHETHER APPLICANT QUALIFIES FOR A LOAN.

APPLICANT QUALIFIES FOR LOAN ______ (CHECK ONE)

APPLICANT DOES NOT QUALIFY FOR LOAN ______

____
(SIGNED)
LOAN OFFICER

LOAN APPLICANT'S DATA
(TEACHER'S KEY)

MOUSE TRAP LOAN COMPANY

APPLICANT'S NAME JOE LITTLE
OCCUPATION CASHIER
MONTHLY INCOME $ 320.00
MONTHLY EXPENSES

RENT	$ 80
FOOD	40
UTILITIES	5
CLOTHES	25
TRANSPORTATION	10
TAXES AND SOCIAL SEC.	65
MEDICAL AND DENTAL	0
ENTERTAINMENT	15
PERSONAL	45
OTHER	+ 15
TOTAL	300

LOAN IS FOR STEREO SET
YOUR INITIALS
COST $ 83.00

MOUSE TRAP LOAN COMPANY

APPLICANT'S NAME JEAN REDCLOUD
OCCUPATION SECRETARY
MONTHLY INCOME $ 420.00
MONTHLY EXPENSES

RENT	$ 40
FOOD	50
UTILITIES	6
CLOTHES	40
TRANSPORTATION	90
TAXES AND SOCIAL SEC.	95
MEDICAL AND DENTAL	20
ENTERTAINMENT	20
PERSONAL	30
OTHER	+ 22
TOTAL	413

LOAN IS FOR WASHING MACHINE
YOUR INITIALS
COST $ 167.00

MOUSE TRAP LOAN COMPANY

APPLICANT'S NAME JIM BIG CROW
OCCUPATION OFFICE MANAGER
MONTHLY INCOME $ 700.00
MONTHLY EXPENSES

RENT	$ 185
FOOD	60
UTILITIES	25
CLOTHES	75
TRANSPORTATION	15
TAXES AND SOCIAL SEC.	140
MEDICAL AND DENTAL	20
ENTERTAINMENT	80
PERSONAL	50
OTHER	+ 0
TOTAL	650

LOAN IS FOR USED CAR
YOUR INITIALS
COST $ 333.00

MOUSE TRAP LOAN COMPANY

APPLICANT'S NAME SUSIE SMALLFISH
OCCUPATION DELIVERY PERSON
MONTHLY INCOME $ 293.60
MONTHLY EXPENSES

RENT	$ 40
FOOD	40
UTILITIES	5
CLOTHES	35
TRANSPORTATION	—
TAXES AND SOCIAL SEC.	76
MENTAL AND DENTAL	20
ENTERTAINMENT	20
PERSONAL	30
OTHER	+ 0
TOTAL	266

LOAN IS FOR NEW REFRIGERATOR
YOUR INITIALS
COST $ 250.00

Exercise 5. Who Handles The Money?

In earlier exercises in this Activity, students have seen that one needs to know quite a bit about handling money to run a business. Tell them that many businesses employ people specifically to take care of the money, or hire people to help them from time to time. In this exercise, they will be learning about some of those jobs.

Ask students if they have ever met anybody whose job was to handle money. Point out that everytime they buy something, they are dealing with peple like cashiers, salespeople, waitresses, etc., who handle money. But there are other workers whom they may not know about.

Reproduce and give to students the reading on pp. 116-119 . This reading summarizes some money-handling careers and the training and qualities they require.

You should also try to bring students into contact with some people in these jobs.

Contact local businesses, or the local Chamber of Commerce, and try to find an accountant, bookkeeper, bookkeeping clerk, etc., who will be willing to come and talk to the class. If there are Tribal or BIA offices in the area, ask them if the people who handle their financial affairs could come. You can also bring in the person at your school who is responsible for keeping accounts straight.

Questions which the class might ask speaker include:

1. Who do you work for?
2. How many people are directly concerned with handling money in your company or organization, and what do they do?
3. What is your job, and what does it involve?
4. What training did you need to get this job?
5. What things do you like about it?
6. What things don't you like about it?
7. What advice would you give to someone who was thinking about trying for a career like yours?

For suggestions on further sources of information about financial careers, see the Bibliography and Resource List at the end of this book.

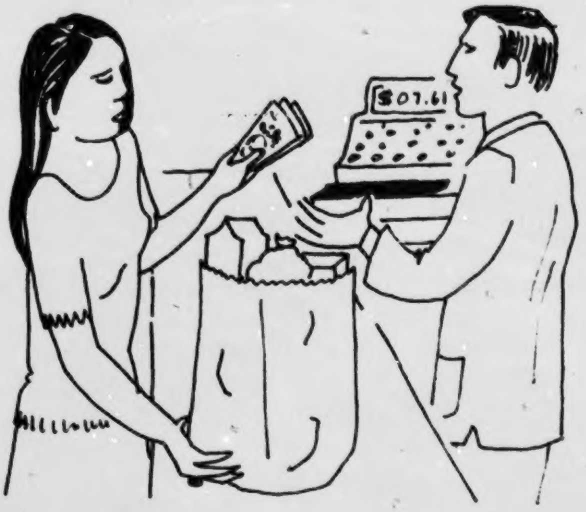
EXERCISE 5. WHO HANDLES THE MONEY?

There are many kinds of jobs in which people handle money. In big companies, a different person may do each of the things necessary to keep the money straight. In a small business, one person may do everything. Here is some information about some of these careers.

CASHIER

In some stores, the person who sells you the product takes your money too. But in others, there is a special person to do this, called a cashier. The cashier takes money, and gives you change and a receipt. A cashier in a grocery store also puts the food in bags. In a business, he or she may pay for the things the business buys, write paychecks, and report how much sales tax was collected.

Cashiers must think and act quickly--they have to punch the keys of a cash register or adding machine fast without making mistakes. They should be good at getting along with people.



To get a job as a cashier, you should graduate from high school with good grades in math. It helps to take business courses too. Most companies will train new workers. Being a cashier is good preparation for other jobs in which you handle money.

BOOKKEEPER

Bookkeepers work in all kinds of business. If the Indian Crafts Company is a success, it will probably hire a bookkeeper to take care of the money so the partners can spend all their time on the business.

A bookkeeper writes down how much money comes in each day, and how much money the company spends. He or she does the same thing an individual does when he balances his budget. The bookkeeper also makes sure that the amounts listed in company records and the bank statement are the same. He or she tells the company how much money it has. The bookkeeper also may deposit company money in the bank, send out bills to customers, and make out paychecks. To do this, he or she uses adding machines and other business machines.

In big companies, a different bookkeeper or bookkeeping clerk may do each of these things.

To be a good bookkeeper, a person should be good at arithmetic and not mind doing detailed, repetetive work. He or she should care about being correct.

To get a job as a bookkeeper, you will probably have to take courses at business school or Jr. College. You can also take correspondence courses. Some companies train people on the job.

ACCOUNTANT

An accountant does some of the same things a bookkeeper does, but he or she has more responsibility. The accountant may check a company's records to make sure they are correct. This is called auditing. He or she also may prepare income tax forms for a company. Some big companies have their own accountants. Small businesses may hire a private accountant to check their books or help them with taxes. Certified Public Accountants (CPA's) have college degrees and have passed a State test. The Government also employs accountants.

An accountant, like a bookkeeper, must be good at math. He or she must be able to concentrate, and be willing to make decisions and take responsibility.

To become an accountant, you need a degree from a Jr. College at least. Most accountants have gone through four years of college, and some go to graduate school. They major in Business.

CREDIT OFFICIAL

You learned about one kind of credit official in Exercise 4--the Loan Officer. A Loan Officer usually works for a bank or savings and loan company. Credit Managers do the same kind of thing for a business. When someone wants to buy something and pay for it over a long period of time (on credit), the Credit Manager has to decide whether to let them or not.

To do this, the Credit Manager talks to the person, and calls or writes the person's bank and other companies he has done business with, to find out if that person is likely to keep his promise to pay. If a customer doesn't pay, the credit manager has to try and get him to.

A credit manager has to have good judgment, and understand people. He or she needs a college degree and a background in Business Administration, Economics, or Accounting. Many businesses hire people with background but no experience and train them on the job.

TREASURER

Clubs, organizations, and corporations all have treasurers. In a big corporation, the treasurer may be in charge of everything and everybody that has to do with money. In a small club, the treasurer does the job of a bookkeeper.

DATA PROCESSOR

People in data processing don't actually handle money. They run the computers and other machines that help keep track of the money. Computer Programmers write instructions that tell the computer what to do with information about money. Computer Operators give the instructions to the computer and watches over the machine. Key Punch Operators run the machine that punches the cards on which some computer instructions are put.

People who are very logical, like to work hard, and enjoy solving puzzles may make good programmers. Operators must understand how the computer works. People in this field may not need college degrees, but they have to be smart. There are many training schools, and some companies train people on-the-job as well.

Exercise 6. Review

When students have completed at least three worksheets each, collect the worksheets, then give them the questions on p. 121.

When students have finished the review exercise, let them check their work by looking in the Feedback section on page 123. Remind students that their answers are correct as long as they express the same *idea* as the answers in the Feedback section; they do not need to use the same words.

When students have finished the review exercise and checked their work, discuss the answers with them to be sure they understand the concepts introduced in the Activity. You might also wish to review some aspects of the discussions, e.g. whether students think borrowing money is advisable, whether loan companies seem to be legitimate and fair businesses, whether their questions invade privacy, etc. See if students' opinions on these matters have changed now that they have "been in the Loan Officer's shoes."

Exercise 6. Review Questions

1. What are four ways you might get the money to start a new business?

   a.

   b.

   c.

   d.

2. List four things the new company might have to spend money on:

   a.

   b.

   c.

   d.

3. What is interest on a loan?

   Why does a loan company charge interest?

   What other charge does a loan company make?

4. Why might a Loan Officer might decide to give someone a loan?

5. Why might a Loan Officer might decide not to give someone a loan?

6. Draw lines to connect the following jobs with the phrases that say what the people do:

bookkeeper .

accountant .

cashier .

treasurer .

data processor .

. keeps records of money for a club

. works with computers that help keep track of money

. keeps records for a business, balance books

. receives money for things people buy, gives change

. keeps records, checks them, does tax returns, gives advice on money

Exercise 6. Review Questions

1. What are four ways you might get the money to start a new business?
   - a. *borrow it from a bank or loan company*
   - b. *sell shares in the business*
   - c. *get a customer to pay in advance*
   - d. *use your own money*

2. List four things the new company might have to spend money on:
   - a. *a building to do the work in (buy or rent)*
   - b. *paying workers*
   - c. *equipment/machines*
   - d. *materials*

   also: taxes
   electricity, etc.

3. What is interest on a loan?
   Interest is extra money you pay back the loan company for loaning you the money.

   Why does a loan company charge interest?
   So they can make money

   What other charge does a loan company make?
   A service charge

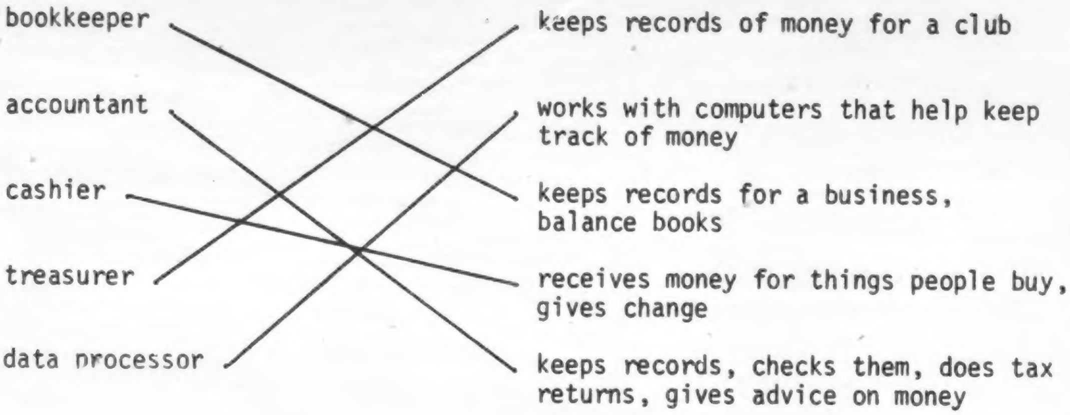
4. Why might a Loan Officer might decide to give some one a loan?

   Because he earns enough money to make the loan payments; because he has a good reputation; because someone else agrees to pay if he doesn't.

5. Why might a Loan Officer might decide not to give someone a loan?

   Because he doesn't make enough money to cover loan payments; because he borrowed money and didn't pay it back in the past; because nobody knows much about him.

6. Draw lines to connect the following jobs with the phrases that say what the people do:



bookkeeper
accountant
cashier
treasurer
data processor

keeps records of money for a club
works with computers that help keep track of money
keeps records for a business, balance books
receives money for things people buy, gives change
keeps records, checks them, does tax returns, gives advice on money

Additional Activities

Workgroups can make up their own puzzle-questions to be solved, either using this Gamesheet and set of markers or making up another Gamesheet and markers for some other kind of small business. Each puzzle should consist of a series of steps for the markers to be moved through and a set of questions at the end, having to do with where the markers end up and how much the company's stock is worth after the series of manipulations. The workgroup should write out the puzzle instructions and the set of questions on separate sheets of paper, and also make note of the answers to their own questions. When their puzzle (set of instructions, set of questions, and, if necessary, new Gamesheet and set of markers) has been completed, they should give it to another workgroup to be solved, preferably exchanging it for the puzzle which the second workgroup has made up. When a "solver" workgroup has finished its work on a puzzle, it should give the answers to the questions back to the "creator" workgroup to be checked. (Each group, of course, should have a chance to be "creators" of one puzzle and "solvers" of another.)

If any students have ever tried to start a small business, or if they know anyone who has, they should discuss what happened in the business. How much money did the people put into the business to start with? What equipment did they have to buy? What other expenses came up? What orders or other money came in? Did the company issue stock? If it had done so, would the stock have gone up or down in value? If enough information is available, students might use the examples discussed to set up other puzzles and gameboards.

If starting a small business seems to interest a number of students, you might spend some time discussing what sort of business they could start, what initial outlay might be required and how they might manage it, etc. If interest and circumstances permit, some students might actually start such a business (e.g. a babysitting collective, a lawn mowing business, or some kind of craft business).

If students are interested, have them (either individually or as workgroups) make up additional "loan puzzles" for each other by making up data sheets like the ones they already used and trading them with other students who will fill our Loan Officer's Worksheets from the data sheets. If students do this, you should duplicate more blank copies of the Loan Officer's Worksheet (and perhaps some blank Data Sheet forms as well) if possible. If that is not practical, and if students wrote on the original worksheets with pencil, they can erase and re-use those sheets.

If possible, have the class visit a lending institution or arrange for a Loan Officer or other official from such an institution to come in and talk to the class. If this was not done earlier, the speaker should be prepared both to explain how a loan is arranged, how people qualify for a loan, what kinds of questions his particular company asks of applicants and what kind of terms it sets, etc., and to answer questions from students. He should also talk about careers connected with lending institutions.

For Additional Resources, see pages 135-137.

Using The Test

The test questions on the next four pages are intended to check student mastery of the main points covered in this unit. If your presentation of this material has varied to any significant degree from what is in this book, you may want to add or replace questions on the test.

In addition to serving as a measure of student achievement, having students answer these questions can serve as a useful review activity.

Sample answers appear on pp. 131-134.

Name ______________________________

Date ______________________________

QUESTIONS FOR STUDENTS WHO HAVE FINISHED "PUTTING YOUR MONEY TO WORK"

1. Are these statements true or false?

a.	Traditional Indian tribes did not use money.	T	F
b.	Resources are things which people can use to meet their needs.	T	F
c.	Using a credit card means you do not have to pay.	T	F
d.	Money represents resources.	T	F
e.	Money can be managed like resources.	T	F

2. In order to manage a resource, you have to:

   a. ______________________________

   b. ______________________________

   c. ______________________________

3. Complete these sentences:

   a. Interest is ______________________________

   ____

   b. When you endorse a check, you ______________________________

   c. Banks and savings and loan companies both ______________________________

   ____

4. If you had one hundred dollars, what are five ways you could save it?

   a.

   b.

   c.

d.

e.

5. Suppose you want to write a check for $3.50 to a friend. How would you fill it out?

1 3 8

78-1202
1211

_______________ 19 _____

Pay to the
Order of ____ $ __________

____ DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D. C.

____

⑆1211⑉1202⑆6186025 44⑈ 138 11

6. Look at the check stub below: What should the new balance be?

$ ________________

138 $ 3.50

september 27 19 7—

To janice Whitecloud

For Bake Sale

	DOLLARS			¢	
OLD BALANCE		1	7	3	2
DEPOSITED			5	0	0
TOTAL					
THIS CHECK					
NEW BALANCE					

7. Suppose you earn $400.00 a month. Here is how much your budget says you will have to spend. How much money will you have left at the end of the month? $ ____________

Rent	$175.00
Transportation	30.50
Medical/dental	20.36
Food	120.00
Electric Company	20.50
Miscellaneous	15.00

8. Three ways in which you could get money to start a new business would be to:

   a.

   b.

   c.

9. List two jobs in which people who handle money meet customers too:

   a.

   b.

   List two jobs where one thing you do is to make sure that a company's records of how much money it earned and how much it spent are correct:

   a.

   b.

10. If you want to have a career in which you work with money, what courses should you take in school?

    High School

    a.

    b.

    College

    a.

    b.

Name ______________________

Date ______________________

5 pts. QUESTIONS FOR STUDENTS WHO HAVE FINISHED "PUTTING YOUR MONEY TO WORK"

1. Are these statements true or false?
   a. Traditional Indian tribes did not use money. T [✓ F]
   b. Resources are things which people can use to meet their needs. [✓ T] F
   c. Using a credit card means you do not have to pay. T [✓ F]
   d. Money represents resources. [✓ T] F
   e. Money can be managed like resources. [✓ T] F

3 pts. 2. In order to manage a resource, you have to:
   a. *keep track of it*
   b. *take care of it*
   c. *use it*

3 pts. 3. Complete these sentences:
   a. Interest is *(extra) money you pay a bank or savings and loan company for letting you use their money*
   b. When you endorse a check, you *write your name on the back of it*
   c. Banks and savings and loan companies both *lend people money (and charge interest) or help you save your money*

5 pts 4. If you had one hundred dollars, what are five ways you could save it?
   a. *put it in a cookie jar, mattress or hole in the ground.*
   b. *put it in a savings account (or bank or savings and loan company).*
   c. *buy a bicycle (or some other pieces of equipment).*

d. *buy stocks*

e. *buy bonds*

also: buy life insurance, invest in a mutual fund

4 pts. 5. Suppose you want to write a check for \$3.50 to a friend. How would you fill it out?

1 3 8

$\frac{78\text{-}1202}{1211}$

any date 19 *76*

Pay to the
Order of *any name* \$*3.50 or* $3\ \frac{50}{100}$

three and 50/100 DOLLARS

FIRST INDIAN NATIONAL BANK
10101 RESERVATION BLVD.
WASHINGTON, D. C.

students' name

⑆1211⑈ 12021⑆8186025 44⑈ 138 11

3 pts. 6. Look at the check stub below: What should the new balance be?

$ *18.82*

138 $ *3.50*

September 27 19 *7*—

To *Janice Whitecloud*

For *Bake sale*

	DOLLARS			¢	
OLD BALANCE		*1*	*7*	*3*	*2*
DEPOSITED			*5*	*0*	*0*
TOTAL		*2*	*2*	*3*	*2*
THIS CHECK			*3*	*5*	*0*
NEW BALANCE		*1*	*8*	*8*	*2*

6 pts. 7. Suppose you earn $400.00 a month. Here is how much your budget says you will have to spend. How much money will you have left at the end of the month? $ *18.14*

Rent	$175.00
Transportation	30.50
Medical/dental	20.36
Food	120.00
Electric Company	20.50
Miscellaneous	15.00

3 pts. 8. Three ways in which you could get money to start a new business would be to:

a. *borrow from a bank or savings and loan*

b. *sell shares in the company*

c. *get advance orders*
use your own money

4 pts. 9. List two jobs in which people who handle money meet customers too:

a. *cashier*

or bank manager/loan officer

b. *teller*

List two jobs where one thing you do is to make sure that a company's records of how much money it earned and how much it spent are correct:

a. *bookkeeper*

or treasurer

b. *accountant*

4 pts. 10. If you want to have a career in which you work with money, what courses should you take in school?

<ins>High School</ins>

a. *math*

typing

b. *business*

<ins>College</ins>

a. *Business Administration*

or Accounting

b. *Economics*

ADDITIONAL RESOURCES

These lists were compiled for your information, but as endorsement is intended. We recommend that all items be previewed before adoption.

Books

Muriel Lederer: The Guide to Career Education, N. Y.: Quadrangle, 1974 ($9.95)

U. S. Department of Labor, Bureau of Labor Statistics: Occupational Outlook Handbook, Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402 ($6.85)

Accounting for Your Future, Association of Independent Colleges and Schools, 1730 M St., N. W., Washington, D. C. 20036 (free)

What Every Clerk Should Know--Checker Manual, National Association of Retail Grocers, 360 N. Michigan Ave., Chicago, Ill. 60601 (free)

Careers for a Changing World--Business and Office, New York Life Insurance Co., Box 51, Madison Square Station, New York, N. Y. 10010

Media

CAREER OPPORTUNITIES FOR AMERICAN INDIANS IN BANKING
Slide/tape, booklet with activities and objectives
American Indian National Bank of Washington, D. C.
Career Education Demonstration Project for American Indian Children, School of Education, The University of South Dakota, Vermillion, S. D. 57069

Shows various careers in the bank

The following materials are available from the publisher or from the Apache-Navajo Co-Career Education Media Center (ANCER), Box 749 St. John's, Arizona, to participating schools.

ANCER Catalog #	
E-5-2	FAMILY FINANCE (Family Economics) 3 filmstrips, 4 posters National Consumer Finance Association

ANCER
Catalog #

JH-102 LET THE BUYER BEWARE
6 filmstrips, 3 cassettes
Eye Gate

Designed to provide the basic information adults and young people require concerning consumer education.

JH-111 THE FINANCIAL MARKETPLACE
6 filmstrips, 3 cassettes
Eye Gate

Introduces the student to various financial institutions in our economy; shows the student the different forms a business may take; and gives the students an understanding of the different methods a business may use to raise and apply capital.

H.2-100 THE ECONOMICS OF BUSINESS
2 filmstrips, cassette
Joint Council on Economic Education

Explains that the factors of production are similar for both the industrial giant and individual proprietorship. It is pointed out that both are motivated by a common element--the desire for profits--and that this motivation, together with consumer interests, determines the volume, quality, and type of products and services provided

JH-155 FASCINATING WORLD OF WORK VOL. I
4 filmstrips, 4 cassettes
National Career Consultants

Sales, Accounting, Mechanics, Overview
Helps student understand his or her own lifestyle; explains how each career relates to his or her projected lifestyle; explains the day-to-day duties of a person engaged in a specific career

H.2-58 THE MONEY TREE
6 filmstrips, 3 cassettes
J. C. Penney's

Explains jobs of: Overviewer, Bank Tellers, New Account Clerks, Decoder Operator, Real Estate Appraisers; Investiment Account Executives

E-5-122 BUSINESS AND OFFICE
16mm film, 5 min.
Encyclopedia Brittanica

In this film, children will discover that the things people do in business offices are important and apply to many other activities.

ANCER
Catalog #

H2-65 CAREERS IN BUSINESS AND OFFICE OCCUPATIONS
16mm film, 30 min.
American Personnel and Guidance Association

Helps students understand what is required in office occupations, several of which were unknown a few years ago.

H.2-95 A CAREER IN BUSINESS
2 filmstrips, 2 cassettes
Associated Press

Designed to offer students the opportunity to learn about a variety of careers in relation to their dreams, and to discover that decisions they make now will have an impact on their entire lives

Information

The following organizations will provide information on the appropriate careers:

American Institute of Cerfified Public Accountants
1211 Avenue of the America
New York City, N. Y. 10036

National Association of Accountants
919 Third Ave.
New York City, N. Y. 10022

American Bankers Association
1120 Connecticut Ave. N. W.
Washington, D. C. 20036

National Consumer Finance Association, Educational Services Division
1000 - 16th St. N. W.
Washington, D. C. 20036

American Federation of Information Processing Societies
210 Summit Ave.
Montvale, N. J. 07645

Financial Executives Institute
633 Third Avenue
New York City, N. Y. 10017

National Association of Retail Grocers
360 North Michigan Ave.
Chicago, Illinois 60601